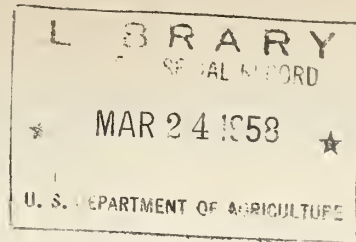


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INTERSTATE TRUCKING

of Fresh and Frozen Poultry

under Agricultural Exemption ^{3a inside}

Marketing Research Division

Agricultural Marketing Service

7/ UNITED STATES DEPARTMENT OF AGRICULTURE

7a Marketing Research Report No. 224

7a Washington, D.C.

PREFACE

This study on the effects of agricultural exemption upon interstate transportation of fresh and frozen poultry is part of a broad program of research on the marketing of agricultural commodities.

Considerable interest has developed among shippers, processors, and transportation groups regarding the effects of court decisions declaring that fresh and frozen poultry come under the agricultural exemption clause of the Motor Carrier Act of 1935 as amended.

In view of the absence of comprehensive information, the U. S. Department of Agriculture undertook this study concerning the effects of exemption upon the interstate transportation of fresh and frozen poultry. A second study is under way concerning the effects of exemption on the interstate motor transportation of frozen fruits and vegetables.

The exemption has also been applied by court actions to other commodities, such as redried tobacco leaves, cleaned or scoured wool or mohair, and raw shelled nuts. However, poultry and frozen fruits and vegetables were selected for study because of volume of shipment and nationwide distribution.

ACKNOWLEDGMENTS

This study was made possible through the cooperation of the poultry processing industry and the motor carriers which haul the poultry, including both the regulated and exempt carriers. Appreciation is expressed to the poultry processors and the motor carrier operators who gave freely of their time and made their records available to Department researchers.

Much of the field work was conducted by John L. Bass (graduate student and part-time instructor, University of North Carolina, while temporarily employed by the Department), and by Franklin T. Hepner, Agricultural Marketing Service.

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INTERSTATE TRUCKING OF FRESH AND FROZEN POULTRY UNDER
AGRICULTURAL EXEMPTION

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SUMMARY

The interstate trucking of fresh and frozen processed poultry under the agricultural exemption clause has resulted in lower rates and, in the opinion of processors, improved service.

This statement is supported by facts revealed in a nationwide study of 144 poultry processors and 67 motor carriers hauling fresh and frozen poultry. The study was made on the basis of conditions in the poultry processing industry before and after the court decisions which declared fresh and frozen dressed or eviscerated poultry to be exempt commodities as defined by the Motor Carrier Act of 1935.

Truck rates charged by carriers during 1956-57 were approximately 33 percent below the 1952 rates on fresh poultry and 36 percent below the 1955 rates on frozen poultry. These percentages are based on comparisons of rates from 210 producing areas to 12 major markets. In 82 percent of the cases, the exempt rates were lower than the 1952 regulated rates for fresh poultry, while in 85 percent of the cases exempt rates were lower than the 1955 regulated rates for the frozen product.

Shipments of fresh poultry by the processors interviewed increased 104 percent between 1952 and the period July 1, 1956, through June 30, 1957, whereas shipments of frozen poultry increased 28 percent between 1955 and the 1956-57 period. During the 1956-57 period, total shipments of fresh and frozen poultry by the 144 firms interviewed equaled 1.4 billion pounds, or about 41 percent of the volume for all commercial processing plants. About 79 percent of the 1.4 billion pounds was shipped in interstate commerce, a higher percentage than in the earlier years.

Since 1952, almost all of the fresh poultry has moved to market by truck. And in 1955, trucks hauled 84 percent of the frozen poultry, but by 1956-57 trucks were hauling 87 percent.

For-hire trucks hauled 52 percent of the interstate volume of fresh poultry moved by truck in 1956-57, compared with 38 percent in 1952. Similarly, they hauled 74 percent of the frozen poultry during 1956-57, but only 66 percent in 1955.

This increase in for-hire trucking reflects the entry of the exempt trucker into the poultry hauling business. Exempt motor carriers hauled 82 percent of the total volume of fresh poultry shipments and 70 percent of the frozen poultry moved by for-hire trucks during the 1956-57 period.

The market area for fresh poultry has expanded greatly during the past 5 years. While 82 percent of the volume was marketed within 500 miles of the processors' plants in 1952, only 68 percent was so marketed in 1956-57. To destinations beyond 1,000 miles, shipments of fresh poultry totaled 5.2 million pounds in 1952. In 1956-57, they reached 46.7 million--a ninefold increase--but they still represented less than 7 percent of the total.

The volume of frozen poultry shipped to markets beyond 1,000 miles increased about 12 percent, from 95.5 to 107.1 million pounds from 1955 to 1956-57. However, because the increase in volume was greater to points less than 1,000 miles, the relationship of the volume beyond that point to total shipments declined from about 49 percent to 41.

The wide divergence in the relative proportions of fresh and frozen poultry moving to distant markets is explained by the fact that frozen poultry has always moved relatively farther to the markets. This is accounted for by the heavy movement of frozen turkeys from the Middle West and the Mountain and Pacific regions to destinations in the East.

Fifty-eight processors reported one or more reasons for not using for-hire truck transportation in marketing their poultry before the court decisions. This compares with 30 who so reported for the period since the court decisions.

Principal advantages for regulated motor carriers mentioned by the processors were: Better service, financial responsibility, less managerial labor, and greater reliability. The major disadvantages reported were: Trucks not readily available, rates too high, unwillingness to serve off-line points, slowness of delivery service, and difficulty in obtaining service to distant markets.

Lower rates, faster service, availability of trucking equipment, willingness to serve out-of-the-way points and distant markets, were some of the principal advantages reported for exempt carriers, while less financial responsibility and reliability, unsatisfactory equipment, trucks not readily available, and need for more supervision were mentioned as major disadvantages.

About 63 percent of the processors replying reported an increase in the number of for-hire trucks available to haul their poultry since the court decisions. A somewhat larger percentage (67 percent) reported that they used exempt motor carriers more frequently on long hauls than they did the regulated motor carriers. This contrasts with 23 percent who used the latter more often for long-haul movements.

Direct negotiation was the most common method reported by processors for establishing rates on shipments of poultry with both the regulated and the exempt motor carriers. It was used to a somewhat greater extent with the exempt carriers.

Ninety-eight processors out of the 120 replying stated that motor carrier rates do not fluctuate according to the demand for and availability of motor carriers. At the same time, processors reported a comparable degree of stability of rates between the regulated and exempt carriers.

Eighty percent of the processors expressed opinions about the effects that would result if the agricultural exemption were removed from the truck transportation of fresh and frozen poultry. The principal changes anticipated were increased cost of transportation, loss of more distant markets, shortage of adequate trucking equipment, loss of small out-of-the-way markets, and smaller returns to processors and producers. In addition, 46 processors stated they would return to private trucking or would increase their private truck fleets if shipments of poultry again became subject to economic regulation.

Interviews with 67 motor carrier operators (41 exempt, 26 regulated) engaged in hauling fresh and frozen poultry show that all have cargo insurance, but that the regulated trucklines have greater coverage than the exempt carriers.

Trailers used by the regulated carriers in hauling poultry tend to have more insulation than those of the exempt carriers. Data on 1,897 trailers, including 1,378 regulated and 519 exempt, show that approximately 99 percent of the trailers of regulated trucklines have at least 3 inches of insulation in the walls and ceilings, and 85 percent have a minimum of 3 inches in the floors. The trailers of the exempt carriers show the following: 89 percent of them have 3 inches of insulation in the walls; 92 percent, 3 inches in the floors; and 84 percent, 3 inches in the ceilings.

Forty-six percent of the trailers of exempt carriers are 3 years of age or less, compared with 39 percent for the regulated. This may reflect, at least in part, the acquisition of equipment required by the exempt haulers for the poultry traffic obtained since the Federal courts found the movement of processed poultry to be exempt from economic regulation.

INTRODUCTION

On June 30, 1953, the District Court of the Northern District of Iowa declared that fresh-dressed poultry was an exempt commodity as defined by the Motor Carrier Act of 1935 as amended. Section 203b of that Act declares: "Nothing in this part, except the provisions of section 204 relative to qualifications and maximum hours of service of employees and safety of operation or standards of equipment shall be construed to include * * * (6) motor vehicles used in carrying property consisting of ordinary livestock, fish (including shell fish), or agricultural (including horticultural) commodities (not including manufactured products thereof), if such motor vehicles are not used in carrying any other property, or passengers, for compensation." ^{1/}

^{1/} Sperling, Celia. The Agricultural Exemption in Interstate Trucking--A Legislative and Judicial History, U. S. Dept. Agr. Mktg. Res. Rpt. 188, 71 pp. July 1957.

The U. S. Circuit Court of Appeals affirmed this decision, and the U. S. Supreme Court denied review of the case. Similarly, on April 23, 1956, the U. S. Supreme Court affirmed a decision of the District Court of the Southern District of Texas that both fresh and frozen dressed poultry came under the agricultural exemption clause of the above act. The result of these decisions was to exempt the interstate motor transportation of fresh and frozen poultry from economic regulation; that is, control over rates, routes, etc., by the Interstate Commerce Commission.

The objectives of this study are:

1. To provide information on the volume of shipments and market distribution of fresh and frozen poultry by geographic regions and by type of carrier;
2. To provide information on different phases of service, freight rates, and equipment which would permit comparisons to be made between regulated and exempt motor carriers with respect to these particular items.

The study was conducted on a "before" and "after" basis; that is, the conditions in the poultry processing industry preceding and following the court decisions declaring fresh and frozen poultry exempt commodities. Thus, the calendar years 1952 and 1955 were used as the "before" periods for fresh poultry and frozen poultry respectively, while the 1957 fiscal year (July 1, 1956, through June 30, 1957) was used as the "after" period for both commodities.

Data for the study were obtained through a nationwide survey of commercial poultry processors who ship in interstate commerce. Personal interviews were conducted with a representative sample of 158 such processors during August-November 1957. 2/ Adequate data were obtained from 144 of the processors, located in 37 States.

During interviews with the poultry processors, names of for-hire motor carriers, both regulated and exempt, who hauled poultry for the particular processors, were obtained. 3/ A total of 72 of these motor carrier operators

2/ Full details on selection of the sample are given in Appendix 1.

3/ Exempt carriers are those which transport exempt commodities only. As such, while subject to rules and regulations of the ICC with regard to safety and hours of service of drivers, they are not subject to any other form of control by the Commission, such as that relating to entry, routes and rates. Exempt carriers should not be confused with private carriers; that is, processors or receivers who use their own (or leased) vehicles to move their poultry to market. Regulated carriers are those holding authority from the ICC for the transportation of other than exempt commodities. They may also transport exempt commodities and, in doing so, are not subject to economic regulation by the ICC as to those commodities, as long as no nonexempt commodities are moved in the same truck at the same time.

were interviewed in the various production areas. All but 5 of the carrier operators provided adequate data.

With but few exceptions (which will be noted) all information contained in this study was obtained through the field survey. The replies to all questions asked in the interviews have been analyzed and are summarized in this report.

As of July 1, 1956, there were 691 commercial poultry slaughtering plants located in 43 States. A commercial plant is defined as one "which slaughters at least 30,000 pounds (of poultry) live weight per week on the average while in operation." 4/

Poultry is prepared either in ready-to-cook condition (eviscerated), or as New York dressed (with blood and feathers removed). It is marketed fresh (ice packed) or frozen. About 71 percent of the total slaughter is marketed as fresh; the remainder as frozen. 5/

As this report is concerned primarily with transportation, no attempt is made to distinguish between New York dressed (a small part of the total sales) and eviscerated poultry, although where data relating to the volume shipped are used, the poundage of New York dressed has been converted to a ready-to-cook basis. Consequently, as used in the report, "fresh," "fresh processed," "frozen," or "frozen processed" mean all types of processed poultry.

During 1956, a total of approximately 5.3 billion pounds of live poultry was slaughtered by the 691 commercial poultry slaughtering plants. 6/ This is equivalent to 3.4 billion pounds on an eviscerated or ready-to-cook basis, assuming a weight loss of 35 percent. The type of poultry slaughtered includes young chickens, hens and cocks, turkeys, ducks and geese. 7/

Approximately 1.4 billion pounds of ready-to-cook poultry were processed from July 1, 1956, through June 30, 1957, by the 144 firms interviewed in the study. This represents about 41 percent of the 1956 volume for all commercial processing plants. It represents an even larger percentage of the total volume processed by plants which ship to some extent in interstate commerce (the universe from which the firms were selected), because only about 72 percent of the commercial poultry processors engage in interstate commerce.

4/ Faber, Fred L., Development of the Commercial Poultry Slaughter Report, U. S. Dept. Agr. AMS-174, March 1957, p. 3.

5/ Kahle, Humbert Scott, Availability of Fresh or Frozen Ready-to-Cook Poultry, U. S. Dept. Agr. AMS-158, January 1957, p. 3.

6/ See footnote 4.

7/ See footnote 4.

PART I - VOLUME OF SHIPMENTS

Fresh Poultry

By Geographic Regions

The volume of fresh, ice-packed poultry shipped to market by processors in the sample has more than doubled during the period 1952 through June 30, 1957.

Table 1 clearly shows substantial increases in all regions over the 5-year period in volume shipped. However, some regions have increased more than others. The result is a shifting among the regions relative to each region's percentage of all shipments.

For example, the South Atlantic region accounted for the largest volume, as well as the greatest percentage of total shipments of fresh poultry, for both periods. Georgia and Maryland are the two principal producing States in this region. But despite the fact that shipments from the region have increased 86 percent from 1952 to 1956-57, the region has lost ground relatively. Thus its share of the Nation's total, as reported by the sample, declined 4.1 percent over the 5-year period. This is the greatest percentage decline of any of the regions; however, it is closely followed by the Middle Atlantic with a relative decrease over the same period of 3.9 percent.

It is interesting to note that the Middle Atlantic's position as the third largest shipper in 1952 was taken over in 1956-57 by the East South Central region, comprising the States of Kentucky, Tennessee, Alabama, and Mississippi. The West South Central has also registered a significant increase--both in quantity and percentagewise--during this period, although its ranking as the fourth largest shipping area remained unchanged. This area includes the States of Arkansas, Louisiana, Oklahoma, and Texas.

Shipments from both the New England and East North Central regions show a slight percentage decline over the 5-year period when compared with the Nation's total. This is true despite an increase in shipments from the New England area of 62 million pounds between 1952 and 1956-57. Most of this increase reflects the large expansion in the Maine broiler industry.

Although the New England region retained its position in 1956-57 as the second largest shipper of fresh poultry, it is being strongly challenged by both the East South Central and West South Central regions.

While the West North Central shows a very large increase in volume of shipments over the 5-year period, part of this increase reflects the lack of shipping records for 1952 for a few of the firms reporting in 1956-57. But even in this latter period, shipments from the region are only a small percentage of the total.

Table 1.--Shipments of fresh processed poultry by regions,
1952 and July 1, 1956 through June 30, 1957

Region <u>1/</u>	: Shipped : in : 1952	:Percent-: : age of : : total :	: Shipped : in : 1956-57	:Percent-: : age of : : total :	Net per- centage difference
	<u>Pounds</u>	<u>Percent</u>	<u>Pounds</u>	<u>Percent</u>	<u>Percent</u>
New England	70,864,000	14.5	133,340,000	13.4	-1.1
Middle Atlantic	65,250,000	13.4	94,694,000	9.5	-3.9
East North Central ..	31,043,000	6.3	44,662,800	4.5	-1.8
West North Central ..	2,500,000	.5	41,900,000	4.2	3.7
South Atlantic	232,973,387	47.7	433,098,864	43.6	-4.1
East South Central ..	38,176,787	7.8	121,712,652	12.2	4.4
West South Central ..	47,229,000	9.7	115,080,822	11.6	1.9
Mountain and Pacific:	250,000	.1	10,125,000	1.0	.9
Total	488,286,174	100.0	994,614,138	100.0	

1/ States included in regions are as follows:

New England - Maine, New Hampshire, Massachusetts, and Connecticut.

Middle Atlantic - New York, New Jersey, and Pennsylvania.

East North Central - Ohio, Indiana, Illinois, Michigan, and Wisconsin.

West North Central - Minnesota, Iowa, Missouri, South Dakota, and Nebraska.

South Atlantic - Delaware, Maryland, Virginia, West Virginia, North Carolina, South Carolina, and Georgia.

East South Central - Kentucky, Tennessee, Alabama, Mississippi.

West South Central - Arkansas, Louisiana, Oklahoma, and Texas.

Mountain and Pacific - Colorado, Utah, Washington, Oregon, and California.

Similarly, the Mountain and Pacific area is of little significance nationally in shipments of fresh poultry.

Intrastate vs. Interstate

The volume of fresh poultry shipped in interstate commerce has jumped from approximately 349 million pounds to 789 million pounds, an increase of 126 percent over the past 5 years. (See table 2.) This compares with an increase during the same period of 104 percent for all shipments; that is, intrastate and interstate combined.

In 1952, interstate shipments equaled 71 percent of the total, and in 1956-57 they had risen to 79 percent of the total shipments of fresh poultry reported by the firms in the study. Conversely, intrastate shipments dropped from 29 percent in 1952 to 21 percent in 1956-57. All but 2 of the regions registered a percentage decline in intrastate shipments relative to interstate, during this 5-year period. Only the East North Central and the West North Central increased their volume of intrastate shipments relative to interstate.

The greatest change percentagewise took place in the West South Central region, where interstate shipments increased from 47 percent of the total in 1952 to 78 percent of the total in 1956-57. The East South Central and South Atlantic also substantially increased their percentage of shipments moving in interstate commerce during this period.

Rail and Truck

It is obvious from table 3 that rail transportation is no longer of much consequence in the marketing of fresh processed poultry. In 1952, it accounted for only three-tenths of 1 percent of the total volume of fresh poultry shipped, and in 1956-57 only 1 percent. But even this latter percentage is overstated since the rail total of 5.9 million pounds includes 3.0 million pounds shipped by boat.

During the survey shippers had indicated that the speed required by the high perishability of fresh poultry and the rapid price fluctuations in the poultry market practically precluded the use of rail transportation. Shippers from only 7 of the States showed any use of rail transportation in marketing their poultry. The remaining 29 States from which rail and truck data were obtained showed exclusive use of truck transportation.

Table 2.--Intrastate and interstate shipments of fresh processed poultry, by regions, 1952 and July 1, 1956 through June 30, 1957

Region	1952 shipments				1956-57 shipments			
	: Percent-:		: Percent-:		: Percent-:		: Percent-:	
	Intrastate:	age of	Intrastate:	age of	Intrastate:	age of	Intrastate:	age of
	: regional:		: regional:		: regional:		: regional:	
	: total :		: total :		: total :		: total :	
	<u>Pounds</u>	<u>Percent</u>	<u>Pounds</u>	<u>Percent</u>	<u>Pounds</u>	<u>Percent</u>	<u>Pounds</u>	<u>Percent</u>
New England . . .	11,427,200	16	59,436,800	84	18,085,600	14	115,254,400	86
Middle Atlantic .	30,874,000	47	34,376,000	53	40,506,800	43	54,187,200	57
East North Central:	20,356,310	66	10,686,690	34	33,458,616	75	11,204,184	25
West North Central:	375,000	15	2,125,000	85	7,635,000	18	34,265,000	82
South Atlantic .	39,091,759	17	193,881,628	83	47,749,733	11	385,349,131	89
East South Central:	11,780,972	31	26,395,815	69	23,543,086	19	98,169,566	81
West South Central:	25,228,338	53	22,000,662	47	25,098,488	22	89,982,334	78
Mountain and Pacific . . .	250,000	100	-	0	9,368,750	93	756,250	7
Total . . .	139,383,579	29	348,902,595	71	205,446,073	21	789,168,065	79

Table 3.--Shipments by rail and truck of fresh processed poultry by regions,
1952 and July 1, 1956 through June 30, 1957

Region	1952				1956-57			
	Rail		Trucks		Rail		Trucks	
	Amount shipped	Percent- age of regional total	Amount shipped	Percent- age of regional total	Amount shipped	Percent- age of regional total	Amount shipped	Percent- age of regional total
New England	500,000	1	70,364,000	95	1,000,000	1	132,340,000	99
Middle Atlantic	-	-	65,250,000	100	6,000	1/	94,688,000	100
East North Central	-	0	31,043,000	100	-	0	44,662,800	100
West North Central	-	0	2,500,000	100	1,050,000	3	40,850,000	97
South Atlantic	795,000	1/	232,178,387	100	2/3,825,000	1	429,273,864	99
East South Central	122,400	1/	38,054,387	100	-	0	121,712,652	100
West South Central 3/	-	0	46,529,000	100	68,000	1/	115,012,822	100
Mountain and Pacific:	-	0	250,000	100	-	0	10,125,000	100
Total	1,417,400	1/	486,168,774	99.7	2/5,949,000	1	988,665,138	99

1/ Less than 0.5 percent.

2/ Includes 3,000,000 pounds shipped by boat.

3/ Excludes 700,000 pounds not broken down according to rail and truck shipments in 1952.

By Type of Motor Carrier

Private vs. For-hire

Private carriers 8/ hauled nearly two-thirds of the fresh poultry moving to market in 1952, but in 1956-57 they hauled less than one-half. (See table 4.) This decline was caused by a very substantial shift to for-hire regulated and exempt truck transportation by shippers of fresh poultry.

Percentagewise, all regions, with the exception of the South Atlantic, showed increased use of for-hire trucks. The East South Central and West South Central led the way. Whereas for-hire trucks hauled only 3 percent of the truck volume in 1952 for the East South Central and only 17 percent for the West South Central, in 1956 the for-hire truck shares in the 2 regions had increased to 49 percent and 58 percent respectively. The seemingly small amount of fresh poultry shipped interstate from the West North Central region requires some explanation. The heavy volume of movement from this area is frozen poultry, and of 23 processors interviewed, only 1 shipper in 1952 and 3 in 1956-57 made shipments of fresh processed poultry.

A substantial shift to for-hire truck transportation is also indicated for the New England, Middle Atlantic, and Mountain and Pacific regions. The greatest increases in for-hire truck transportation on an actual, as well as a percentage basis, were shown by processors located in the States of Maine, Virginia, Alabama, Mississippi, Arkansas, and Texas. In contrast, Delaware, Maryland, and Georgia, all located in the South Atlantic region, showed a percentage decline in the use of for-hire truck transportation from 1952 to 1956-57.

Regulated vs. Exempt

In 1956-57, exempt motor carriers were hauling nearly as much fresh poultry as both private and for-hire motor carriers hauled in 1952. (Compare tables 4 and 5.) In contrast, the amount hauled by the regulated motor carriers in 1956-57 was only about one-half their 1952 total. Thus in 1952, while fresh processed poultry was still under ICC regulation, for-hire trucks; that is, regulated carriers, hauled 34 percent of the total volume of fresh poultry shipments. But in 1956-57, regulated carriers hauled only 9 percent.

On the other hand, the exempt motor carriers hauled 43 percent of the total truck shipments and 82 percent of the total for-hire truck shipments during 1956-57.

In every major region of the country the total amount of fresh processed poultry hauled by the exempt carrier exceeds that by the regulated. In four of these regions, namely, Middle Atlantic, East North Central, East South

8/ The term "private carrier" means that the vehicle is owned or leased and operated by the processor or receiver. By far the greater part of this movement of poultry is in equipment owned or leased by the processor.

Table 4.--Shipments of fresh processed poultry by regions and by type of motor carrier, 1952 and July 1, 1956 through June 30, 1957

Region	1952						1956-57					
	Type of motor carrier			Type of motor carrier			Type of motor carrier			Type of motor carrier		
	Private		For hire	Private		For hire	Private		For hire	Private		For hire
	Amount shipped	Percent of regional	Amount shipped	Percent of regional	Amount shipped	Percent of regional	Amount shipped	Percent of regional	Amount shipped	Percent of regional	Amount shipped	Percent of regional
	total	total	total	total	total	total	total	total	total	total	total	total
Pounds	Percent	Pounds	Percent	Pounds	Percent	Pounds	Percent	Pounds	Percent	Pounds	Percent	Pounds
New England . . .	30,494,200	43	39,869,800	57	28,145,000	21	104,195,000	79				
Middle Atlantic .	62,717,500	96	2,532,500	4	77,224,600	82	17,463,400	18				
East North Central	26,932,000	87	4,111,000	13	35,977,000	81	8,685,800	19				
West North Central	2,500,000	100	-	-	10,415,000	25	30,435,000	75				
South Atlantic .	104,654,719	45	127,523,668	55	203,708,430	47	225,565,434	53				
East South Central	37,058,435	97	995,952	3	62,602,326	51	59,110,326	49				
West South Central	38,636,500	83	7,892,500	17	47,845,245	42	67,167,577	58				
Mountain and Pacific	242,500	97	7,500	3	7,762,500	77	2,362,500	23				
Total	303,235,854	62	182,932,920	38	473,680,101	48	514,985,037	52				

Table 5.--Shipments of fresh processed poultry by regions and by type of for-hire motor carrier, July 1, 1956 through June 30, 1957

1956-57									
Type of for-hire motor carrier									
Region	Total	Regulated	Percent--	Exempt	Percent-				
	: regulated	: amount	: age of :	amount	: age of				
:	: and exempt	: shipped	: regional:	shipped	: regional:				
: amount shipped:	: amount shipped:	:	: total :	:	: total :				
:	Pounds	Pounds	Percent	Pounds	Percent				
New England	104,195,000	48,421,000	46	55,774,000	54				
Middle Atlantic	17,463,400	1,258,400	7	16,205,000	93				
East North Central ..	8,685,800	545,000	6	8,140,800	94				
West North Central ..	30,435,000	3,586,500	12	26,848,500	88				
South Atlantic	225,565,434	31,519,936	14	194,045,498	86				
East South Central ..	59,110,326	1,660,625	3	57,449,701	97				
West South Central ..	67,167,577	3,245,971	5	63,921,606	95				
Mountain and Pacific :	2,362,500	887,500	38	1,475,000	62				
Total	514,985,037	91,124,932	18	423,860,105	82				

Central, and West South Central, the exempt carrier accounts for over 90 percent of the total shipments hauled by for-hire motor carriers.

Although the South Atlantic region showed a slight decline in the percentage relationship of for-hire truck shipments to the total over a 5-year period, it is a very heavy user of the exempt trucker. In fact, 86 percent of this region's total for-hire truck shipments were hauled by exempt motor carriers. At the same time the South Atlantic accounts for almost half of the total volume of fresh poultry shipped from all regions by the exempt carriers in 1956-57.

Frozen Poultry

By Geographic Regions

Over 400 million pounds of frozen processed poultry was shipped to market by processors in the sample during July 1, 1956, through June 30, 1957. (See table 6.) This represents an increase of 28 percent over the volume shipped in the 1955 calendar year. It also represents 30 percent of the total volume of poultry shipments in the sample during the 1956-57 period. 9/

The West North Central region was the largest shipper of frozen poultry in both 1955 and 1956-57. In 1956-57 it accounted for about one-third of the total, and in 1955 slightly less than this amount. It further shows the greatest percentage net increase (2.2 percent) of all the regions. In contrast, 5 of the 8 regions shipped a smaller percentage of the total in 1956-57 compared with 1955. In each case, however, the percentage difference was small, ranging from 0.1 to 1.6 percent.

The Mountain and Pacific area was the second largest shipper of frozen poultry in 1955 and in 1956-57. It, in turn, was followed by the South Atlantic, West South Central, and East North Central in that order.

The combined shipments of the East South Central, Middle Atlantic, and New England areas accounted for less than 10 percent of the total shipments in 1955 and in 1956-57.

The major processing States for frozen poultry in the sample were Minnesota, Iowa, Arkansas, California, and Georgia.

Intrastate vs. Interstate

The volume of frozen processed poultry shipped in interstate commerce exceeded that marketed intrastate by approximately a 4 to 1 ratio in 1955 (table 7). In this latter period, the ratio declined slightly from the prior 80/20 (4/1) to 78/22.

9/ This ratio of 30 percent frozen and 70 percent fresh compares very favorably with the previously mentioned study by the Department, which showed a ratio for the entire commercial poultry slaughtering industry of 29 percent frozen, 71 percent fresh, based on data for the 1955 calendar year. (See footnote 5/, page 5.)

Table 6.--Shipments of frozen processed poultry by regions,
1955 and July 1, 1956 through June 30, 1957

Region	: Shipped in 1955	: Percent- age of : total	: Shipped in 1956-57	: Percent- age of : total	: Net per- centage difference
	<u>Pounds</u>	<u>Percent</u>	<u>Pounds</u>	<u>Percent</u>	<u>Percent</u>
New England	1,725,000	0.5	1,725,000	0.4	-0.1
Middle Atlantic	13,000,000	3.9	15,150,000	3.5	-.4
East North Central ..	40,723,600	12.2	56,463,600	13.1	.9
West North Central ..	101,009,588	30.1	138,540,305	32.3	2.2
South Atlantic	54,703,050	16.3	62,920,007	14.7	-1.6
East South Central ..	17,807,500	5.3	19,999,136	4.7	-.6
West South Central ..	42,370,808	12.7	57,029,295	13.3	.6
Mountain and Pacific:	63,495,500	19.0	77,026,550	18.0	-1.0
Total	334,835,046	100.0	428,853,893	100.0	

Table 7.--Intrastate and interstate shipments of frozen processed poultry, by regions, 1955 and July 1, 1956, through June 30, 1957

Region	1955 shipments				1956-57 shipments			
	: Percent-:		: Percent-:		: Percent-:		: Percent-:	
	: Intrastate:age of regional:		: Interstate:age of regional:		: Intrastate:age of regional:		: Interstate:age of regional:	
	: Pounds	: Percent	: Pounds	: Percent	: Pounds	: Percent	: Pounds	: Percent
New England . . .	535,750	31	1,189,250	69	535,750	31	1,189,250	69
Middle Atlantic .	3,100,000	24	9,900,000	76	3,765,000	25	11,384,000	75
East North Central	11,690,740	29	29,032,860	71	21,334,240	38	35,129,360	62
West North Central	9,920,000	10	91,089,588	90	14,741,800	11	123,798,505	89
South Atlantic 1/	3,301,100	8	37,780,900	92	6,804,940	14	40,275,060	86
East South Central	2,370,750	13	15,436,750	87	2,711,543	14	17,287,593	86
West South Central	2,948,933	7	39,421,875	93	3,285,250	6	53,744,045	94
Mountain and Pacific:	30,790,830	48	32,704,670	52	36,056,405	47	40,970,145	53
Total	64,658,103	20	256,555,893	80	89,234,928	22	323,777,958	78

1/ Excludes 13,621,050 pounds not broken down according to intrastate and interstate shipments in 1955. Excludes 15,841,007 pounds not broken down in 1956-57.

In addition, the 1956-57 ratio for frozen poultry moving interstate vs. intrastate is approximately the same as that for fresh poultry shipments--78/22 for the frozen; 79/21 for the fresh.

The two regions showing the greatest change in the ratios of interstate to intrastate shipments of frozen poultry are the East North Central and South Atlantic. In both cases interstate shipments have declined relative to intrastate. These two areas accounted for approximately 25 percent of the total volume of intrastate and interstate shipments in 1956-57.

Of the 6 remaining regions, 3 show a 1-percent decline in the percentage of interstate shipments in 1956-57 compared with 1955; 2 show a 1-percent increase; and 1, the New England area, remained unchanged.

Rail and Truck

Trucks hauled over 80 percent of the volume of frozen processed poultry marketed by processors in the sample during 1955 and 1956-57. Truck shipments of frozen poultry predominated in every region, with the percentage hauled ranging from 65 to 100 percent.

Although the rail carriers haul a much greater tonnage of frozen poultry than they do of fresh, it is a relatively small amount when compared with the truck movement. Table 8 indicates the rail share will be even smaller in future years if the trend of the past 2 years continues.

Rail carriers are of greatest importance in the movement of frozen poultry from the Mountain and Pacific regions. This involves a long-haul movement, particularly to the large markets on the east coast. Some of the poultry shippers in these areas indicated that for-hire truck transportation was not always available for such long-haul movement. Then, too, frozen poultry is not as perishable as fresh as long as it is maintained in its frozen state. Since the rail refrigerated service is adequate in this respect, the faster delivery service of the trucks is not so essential for this product as it is for fresh poultry.

These facts are reflected in the 24 million pounds of frozen poultry which originated in the Mountain and Pacific regions, and were moved to market by rail carriers in 1956-57. This amount represents 44 percent of the total rail movement of frozen poultry in 1956-57.

Shippers in the West North Central region also use rail carriers in marketing a rather substantial volume of frozen poultry. Shipments from this region plus those from the Mountain and Pacific regions accounted for 82 percent of the rail tonnage in 1956-57. Rail shipments from the remaining 6 regions are thus relatively insignificant.

Table 8.--Shipments by rail and truck of frozen processed poultry by region,
1955 and July 1, 1956, through June 30, 1957

Region	1955				1956-57			
	Rail		Trucks		Rail		Trucks	
	Amount shipped	Percent-- : age of : regional : total	Amount shipped	Percent-- : age of : regional : total	Amount shipped	Percent-- : age of : regional : total	Amount shipped	Percent-- : age of : regional : total
New England . . .	600,000	35	1,125,000	65	600,000	35	1,125,000	65
Middle Atlantic .	40,000	1/	12,960,000	100	54,000	1/	15,096,000	100
East North Central:	770,000	2	39,953,600	98	963,000	2	55,500,600	98
West North Central:	14,675,908	15	86,333,600	85	21,059,382	15	117,480,923	85
South Atlantic .	2/2,884,121	5	51,818,929	95	3/4,413,410	7	58,506,597	93
East South Central:	2,384,150	13	15,423,350	87	3,000,000	15	16,999,136	85
West South Central:	676,773	2	41,694,035	98	672,000	1	56,357,295	99
Mountain and Pacific . . .	31,012,700	49	32,482,800	51	24,078,155	31	52,948,395	69
Total . . .	53,043,652	16	281,791,394	84	54,839,947	13	374,013,946	87

1/ Less than 0.5 percent.

2/ Includes 300,000 pounds shipped by boat.

3/ Includes 500,000 pounds shipped by boat.

By Type of Motor Carrier

Private vs. For-hire

Processors of frozen poultry substantially increased their use of for-hire motor carriers in marketing their product in 1956-57 as compared with 1955 (table 9). Well over one-half of the total volume of truck shipments of frozen poultry for each of the regions moved to market in 1956-57 by for-hire trucks. In one case it exceeded 90 percent; in another, over 80 percent. For-hire trucks hauled approximately three-fourths of all truck shipments of frozen poultry in 1956-57, compared with only two-thirds in 1955.

Five of the eight regions indicated a net percentage increase in for-hire truck transportation relative to private trucking ranging all the way from 1 percent to 41 percent. The East South Central region showed the greatest increase. For-hire trucks hauled only 25 percent of all motor carrier shipments from this area in 1955, but in 1956-57 they hauled 66 percent of the total. The West South Central and Mountain and Pacific regions also registered sizable gains in the use of for-hire trucks compared with private trucking.

In contrast to this general trend of increased for-hire trucking, the Middle Atlantic region has shown a slight reverse trend; that is, toward increased use of private trucks. Thus, while 31 percent of the volume hauled by motor carriers in 1955 moved in private trucks, 35 percent was so moved in 1956-57.

Private trucking was used to the greatest extent by processors located in Pennsylvania, Ohio, Michigan, and Georgia. The volume of frozen poultry hauled by private trucks in these States in 1956-57 ranged from 5.3 million pounds to 23.9 million pounds. These quantities represented over two-thirds of the total volume of truck shipments for each of the 4 States.

An additional fact revealed by the data in table 9 and table 4 is that for-hire trucks are used to a greater extent by processors of frozen poultry than by processors of fresh poultry. Whereas for-hire trucks hauled only 52 percent of the volume of fresh poultry moved by motor carriers, they hauled 74 percent of the total truck shipments of frozen poultry.

Regulated vs. Exempt

Exempt motor carriers are preferred over regulated motor carriers by most processors of frozen poultry. Of 72 processors reporting the use of for-hire truck transportation, 46 showed greater use of the exempt compared with the regulated carriers. This fact is further revealed by the shipment data shown in table 10. On a volume basis, 70 percent was shipped by exempt carriers and 30 percent by the regulated carriers during the period July 1, 1956, through June 30, 1957.

However, considerable variation exists among the several regions in terms of the amount hauled by each type of motor carrier. In the New England

Table 9.--Shipments of frozen processed poultry by regions and by type of motor carrier, 1955 and July 1, 1956 through June 30, 1957

Region	1955						1956-57					
	Type of motor carrier			Type of motor carrier			Type of motor carrier			Type of motor carrier		
	Private		For hire	Private		For hire	Private		For hire	Private		For hire
	Amount shipped	Percent- : age of : regional : total	Amount shipped : regional : total	Amount shipped	Percent- : age of : regional : total	Amount shipped : regional : total	Amount shipped	Percent- : age of : regional : total	Amount shipped : regional : total	Amount shipped	Percent- : age of : regional : total	Amount shipped : regional : total
	Pounds	Percent	Pounds	Pounds	Percent	Pounds	Pounds	Percent	Pounds	Pounds	Percent	Pounds
New England . . .	261,250	23	863,750	77	23	261,250	863,750	23	261,250	863,750	23	863,750
Middle Atlantic .	3,960,000	31	9,000,000	69	35	5,346,000	9,750,000	35	5,346,000	9,750,000	35	9,750,000
East North Central:	17,661,800	44	22,291,800	56	45	25,155,500	30,345,100	45	25,155,500	30,345,100	45	30,345,100
West North Central:	8,035,885	9	78,297,795	91	6	7,349,334	110,131,589	6	7,349,334	110,131,589	6	110,131,589
South Atlantic .	22,101,772	43	29,717,157	57	42	24,333,128	34,173,469	42	24,333,128	34,173,469	42	34,173,469
East South Central:	11,550,883	75	3,872,467	25	34	5,823,568	11,175,568	34	5,823,568	11,175,568	34	11,175,568
West South Central:	21,328,539	51	20,365,496	49	37	20,701,747	35,655,548	37	20,701,747	35,655,548	37	35,655,548
Mountain and Pacific	10,519,475	32	21,963,325	68	17	9,181,800	43,766,595	17	9,181,800	43,766,595	17	43,766,595
Total	95,419,604	34	186,371,790	66	26	98,152,327	275,861,619	26	98,152,327	275,861,619	26	275,861,619

Table 10.--Shipments of frozen processed poultry by regions and by type of for-hire motor carrier, July 1, 1956 through June 30, 1957

Region	1956-57									
	Type of for-hire motor carrier									
	Total regulated and exempt amount shipped :	Regulated amount shipped :	Percent- age of regional total :	Exempt amount shipped :	Percent- age of regional total :					
	Pounds	Pounds	Percent	Pounds	Percent					
New England	863,750	783,750	91	80,000	9					
Middle Atlantic	9,750,000	--	--	9,750,000	100					
East North Central ...	30,345,100	9,972,250	33	20,372,850	67					
West North Central ...	110,131,589	15,921,323	14	94,210,266	86					
South Atlantic	34,173,469	17,336,619	51	16,836,850	49					
East South Central ...	11,175,568	285,675	3	10,889,893	97					
West South Central ...	35,655,548	17,793,718	50	17,861,830	50					
Mountain and Pacific :	43,766,595	20,865,520	48	22,901,075	52					
Total	275,861,619	82,958,855	30	192,902,764	70					

area (representing a very small volume), 91 percent is hauled by the regulated motor carriers, while in the Middle Atlantic region the entire reported volume of frozen poultry is hauled by exempt carriers. However, in both of these regions shipments of fresh poultry exceed shipments of frozen poultry. On the other hand, the region with the greatest volume of shipments, the West North Central, is also a heavy user of exempt motor carriers. The 94 million pounds hauled by the exempt carriers from this area represented almost half of the total exempt tonnage.

Motor carriers share the frozen poultry tonnage almost equally in three of the regions--South Atlantic, West South Central, and Mountain and Pacific.

PART II - MARKET ANALYSIS

Trends in the Distribution of Fresh and Frozen Poultry

By Mileage Blocks

The market area for fresh poultry has broadened substantially during the past 5 years (table 11). For example, in 1952, 82 percent of the total volume of fresh poultry was marketed within 500 miles of the processors' plants. In 1956-57, only 68 percent was so marketed. Similarly, about 26 percent of the total volume of shipments for 1956-57 fell within the 501 to 1,000 mileage blocks, whereas in 1952 only 16 percent came within this mileage distribution. At the same time, markets located over 1,000 miles from the processing plants received approximately 7 percent of the 1956-57 volume of fresh poultry; in 1952 only 2 percent.

In contrast to this expanding market area for fresh poultry, shipments of frozen poultry over the past 2 years show a slight decline in most mileage blocks beyond 1,000 miles. About 49 percent of the 1955 volume of frozen poultry was shipped to markets located more than 1,000 miles away, while in 1956-57, only 41 percent of the volume was shipped beyond that distance.

The difference in the marketing patterns of the 2 commodities may be accounted for by the fact that frozen poultry has always moved relatively greater distances to the markets. This may be seen in table 11 by comparing the distribution of frozen poultry shipments in 1955 with fresh poultry shipments in 1952. The frozen poultry shipments are much more evenly distributed throughout the various mileage blocks, while the latter are heavily concentrated in the first few blocks. The reason for this is the heavy volume of frozen turkeys from the Middle Western and Mountain and Pacific States to markets in the East. Conversely, processed chickens, primarily marketed in fresh ice-packed condition, have tended to move to the nearby markets. Although, as indicated, the movement of fresh poultry has broadened substantially, the portion moving beyond 1,000 miles is still a small part of the total movement.

Table 11.--Distribution of shipments of fresh and frozen processed poultry by mileage blocks--1952, 1955 and July 1, 1956 - June 30, 1957

Mileage block	Shipments of fresh poultry			Shipments of frozen poultry			Shipments of fresh and frozen poultry		
	1952			1955			1956-57		
	Amount	Percent-- : age	Percent	Amount	Percent-- : age	Percent	Amount	Percent-- : age	Amount
	Pounds	Percent	Percent	Pounds	Percent	Percent	Pounds	Percent	Pounds
Up to 250 miles:	192,405,480	61.5	49.8	341,971,454	19.0	23.4	60,733,119	23.4	402,704,573
251 - 500	65,139,372	20.8	17.8	30,810,855	15.7	13.3	34,651,442	13.3	156,924,649
501 - 750	26,676,780	8.5	15.6	22,279,618	11.4	13.3	34,439,854	13.3	141,621,138
751 - 1,000	23,335,930	7.5	10.0	9,778,445	5.0	8.9	23,076,954	8.9	91,316,349
1,001 - 1,250	2,341,317	.8	.3	29,166,528	14.9	13.0	33,922,709	13.0	35,663,602
1,251 - 1,500	148,225	1/	.5	30,443,614	15.6	11.1	28,870,959	11.1	32,570,959
1,501 - 1,750	1,818,750	.6	1.7	6,042,500	3.1	3.2	8,423,308	3.2	20,264,808
1,751 - 2,000	-	-	.3	2,698,951	1.4	1.9	4,902,182	1.9	7,012,932
2,001 - 2,250	607,016	.2	3.0	4,120,967	2.1	2.0	5,259,824	2.0	25,672,824
2,251 - 2,500	-	-	.6	6,813,100	3.5	3.2	8,295,000	3.2	12,595,000
Over 2,500	317,625	.1	.4	16,216,250	8.3	6.7	17,440,000	6.7	20,080,000
Total . . .	2/312,790,495	100.0	100.0	4/195,648,712	100.0	100.0	5/260,015,351	100.0	6/946,426,834

1/ Less than 0.1 percent.

2/ Represents 64 percent of total volume shipped by all firms in the sample.

3/ Represents 69 percent of total volume shipped by all firms in the sample.

4/ Represents 58 percent of total volume shipped by all firms in the sample.

5/ Represents 61 percent of total volume shipped by all firms in the sample.

6/ Represents 66 percent of total volume shipped by all firms in the sample.

Receipts at 12 Large Markets by Geographic Regions

During the period 1952-56 total poultry receipts at major markets increased at about the same rate as did poultry sales by the industry. Table 12 shows poultry receipts--fresh and frozen New York dressed and eviscerated--at 12 major poultry markets. 10/

Between 1952 and 1956 poultry receipts at these markets increased 32 percent, from 779.6 million pounds to 1,032.1 million pounds. During the same period total sales of farm chickens, commercial broilers, and turkeys increased from 5,309.7 million pounds (live weight) to 6,727.7 million pounds, about 27 percent. 11/

Although the poultry receipts for the 12 markets combined represent a relatively small percentage increase, some of the individual markets had tremendous increases while others show only slight advances or actual declines. For example, Boston and Atlanta show slight downward trends, although the dip in 1955 was especially pronounced for both markets. In sharp contrast is Los Angeles with an increase of 237 percent; Cincinnati, 177 percent; Cleveland, 167 percent; and Pittsburgh, 131 percent (1956 over 1952). Less spectacular but still very substantial are St. Louis with an increase of 103 percent; Detroit, 95 percent; San Francisco, 94 percent; and Philadelphia, 46 percent. It is interesting to note that the 5 markets with the greatest percentage increase in poultry receipts are among the smallest of the 12 markets.

On the other hand the 2 largest markets in the country, New York and Chicago, are near the bottom of the scale in terms of percentage increase in poultry receipts over the 4-year period. Thus, New York increased only 2 percent; Chicago, 29 percent.

When the poultry receipts for the 4 largest markets (New York, Chicago, Philadelphia, and Boston) are combined, they show only an 11 percent increase during the period 1952-56. At the same time they accounted for about 68 percent of the total 1956 poultry receipts for the 12 markets.

It is therefore apparent that while some of the smaller markets such as Los Angeles, Cincinnati, and Cleveland have made spectacular increases in receipts over the 4-year period, they have not greatly influenced the trend in poultry receipts for the 12 markets combined.

A further fact to be considered in connection with the large increases in poultry receipts at the smaller markets of this group is that this may very

10/ Data obtained from Dairy and Poultry Market News, AMS.

11/ Agricultural Marketing Service. Chickens and Eggs. Farm Production, Disposition, Cash Receipts, Gross Income, by States, Revised Estimates, 1950-54. U. S. Dept. Agr. Statis. Bul. 183, June 1956. (Also annual report for 1955-56.)

Agricultural Marketing Service. Turkeys. Farm Production, Disposition, Cash Receipts, Gross Income, by States, Revised Estimates 1950-54. U. S. Dept. Agr. Statis. Bul. 182, June 1956. (Also annual report for 1955-56.)

Table 12.--Poultry receipts at 12 major markets 1/

Market	Total receipts			Percentage increase or decrease
	1956	1955	1952	1956 over 1952
	Million pounds	Million pounds	Million pounds	Percent
Boston	78.2	68.0	79.0	-1.0
New York	376.9	339.2	370.4	1.8
Philadelphia	72.7	59.8	49.7	46.3
Pittsburgh	37.9	28.3	16.4	131.1
Cleveland	43.2	38.1	16.2	166.7
Cincinnati	27.7	15.6	10.0	177.0
Chicago	173.8	145.8	134.3	29.4
Detroit	70.2	54.7	36.0	95.0
St. Louis	48.3	26.8	23.8	102.9
Atlanta	4.3	3.6	4.5	-4.4
Los Angeles	53.6	27.5	15.9	237.1
San Francisco	45.3	26.7	23.4	93.6
Total	1,032.1	834.1	779.6	32.4

1/ Includes both fresh and frozen processed poultry.

Dairy and Poultry Market News, Agricultural Marketing Service, U. S. Department of Agriculture.

likely reflect a nationwide trend in poultry marketing--a trend identified by increased sales in smaller markets, particularly those outside the areas covered in table 12.

This trend is indicated by the replies of the processors interviewed in the survey regarding the advantages of using exempt motor carriers. Of 82 processors reporting any advantages of exempt motor carriers, 44 listed the willingness of the exempt carriers to serve out-of-the-way points or to serve markets without back-haul prospects. 12/

The processors gave numerous examples of small, out-of-the-way markets which they had been unable to reach before the advent of the exempt motor carrier.

Percentage Distribution by Geographic Regions

Considering the 12 markets as a whole, the South Atlantic region is the foremost supply area. In 1956 it was the major supplier in 6 of the 12 markets, accounting for over 40 percent of the total market receipts in each of these markets (table 13). In addition it supplied over 25 percent of the poultry in 2 markets, and over 10 percent in 3 additional markets. Only in the San Francisco market did it supply less than 10 percent of the poultry. This region includes the Del-Mar-Va peninsula, the Shenandoah Valley, the Carolinas, and Georgia, all of which are important poultry-producing areas.

The South Atlantic region also increased its share of the total poultry receipts in 8 of the 12 markets in 1956 compared with 1952. Although showing percentage declines in Pittsburgh, St. Louis, Cincinnati, and Detroit, it is still the major supplier in the latter 2 markets, and is also a strong competitor in Pittsburgh.

While the South Atlantic region has steadily improved its marketing position since 1952, the East South Central region has made the most spectacular gains. This region supplied less than 3 percent of the poultry received at each of 4 major midwest markets in 1952, specifically, Chicago, Cincinnati, St. Louis, and Detroit. But in 1956, it was supplying from 14 to 36 percent of the total poultry at these markets.

The east South Central region also shows a large percentage increase in the Los Angeles market, but that increase is more apparent than real since most of the poultry furnished the Los Angeles market by California suppliers is not reported in the market news data. 13/ A similar observation can be made regarding the large percentage of the total receipts shown for the West South Central region in this market. Although both regions have made substantial increases in the Los Angeles market since 1952, the size of these increases is considerably less than that shown in table 13.

12/ See Part III, table 29.

13/ For further information on this aspect of the Los Angeles market, see p. 39.

Table 13.--Percentage distribution of poultry receipts at 12 major markets by geographic regions

Region	Percentage of total receipts at markets																							
	Boston		New York		Philadelphia		Pittsburgh		Cleveland		Cincinnati		Chicago		Detroit		St. Louis		Atlanta		Los Angeles		San Francisco	
	1956	1952	1956	1952	1956	1952	1956	1952	1956	1952	1956	1952	1956	1952	1956	1952	1956	1952	1956	1952	1956	1952	1956	1952
New England	Pct. 54.8 49.7	Pct. 30.5 23.9	Pct. 11.2 10.8	Pct. 6.3 11.2	Pct. 26.8 12.3	Pct. 22.9 14.7	Pct. 21.7 1.0	Pct. 2.8 1.0	Pct. 1.9 1.0	Pct. 1.9 1.0	Pct. 2.5 1.0	Pct. 1.9 1.0	Pct. 2.5 1.0	Pct. 1.9 1.0	Pct. 2.4 1.0	Pct. .5 1.0	Pct. 1.9 1.0	Pct. .7 1.0	Pct. 1.2 1.0					
Middle Atlantic	6.3	1.8	6.3	11.2	10.8	12.3	26.8	22.9	14.7	21.7	1.0	2.8	1.9	1.9	2.5	1.0	2.4	.5	1.0	.9	1.0			
East North Central	3.0	4.5	1.3	2.8	3.8	5.8	33.9	16.9	31.6	28.2	15.8	18.0	20.5	15.6	9.2	14.3	2.9	7.9	.6	1.1	1.0	2.8	1.0	1.5
West North Central	12.4	22.3	7.1	10.5	10.5	18.8	10.5	19.9	5.2	21.9	1.6	.7	26.2	38.3	3.1	11.2	19.6	18.9	5.7	6.7	1.0	31.9	3.2	14.7
South Atlantic	13.5	7.0	44.8	39.5	70.9	52.6	26.6	36.5	41.7	16.8	64.7	75.6	26.1	20.8	50.8	64.1	10.3	11.3	85.0	78.1	15.7	10.0	6.5	3.5
East South Central	1.0	1.0	1.4	1.3	1.0	2.1	1.4	1.0	6.3	6.5	17.9	2.9	14.0	1.9	36.2	2.8	24.6	1.9	4.8	9.2	36.7	-	2.7	1.0
West South Central	1.0	1.3	.5	.6	1.0	1.0	.8	2.0	1.0	2.3	1.0	-	9.1	13.3	.7	4.3	28.9	60.0	1.5	3.8	43.7	28.5	29.1	11.5
Mountain and Pacific	9.0	13.4	8.1	10.2	4.0	8.4	1.0	2.0	.5	2.6	1.0	-	2.2	8.2	1.0	.8	3.7	-	.6	2.9	25.9	57.8	67.6	
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

1/ Less than 0.5 percent.

New England is another region which has improved its marketing position over the 4-year period. Both in Boston and New York it registered gains. But poultry shipments from this region are not significant at the other 10 markets.

In contrast to the improved positions of the South Atlantic, East South Central and New England regions, the other geographic areas show relative declines in most of the major markets since 1952.

For example, the West North Central region shows a relative percentage decline in 10 of the 12 markets. The percentage declines in Boston, Philadelphia, Pittsburgh, Cleveland, Chicago, Los Angeles and San Francisco are especially severe for this area. This region has improved its relative position only in the Cincinnati and Pittsburgh markets. Similarly, the Middle Atlantic, East North Central, West South Central, and Mountain and Pacific each show relative percentage decreases in from 7 to 9 of the major markets. Conversely, these areas have improved their relative positions in only 1 to 3 of the markets, while in a few instances their relative positions have remained unchanged.

Percentage Distribution by States of Origin

Since 1952 substantial shifting has taken place among the major States supplying poultry to the markets shown in tables 14-25.

For example, in the Boston market, Maine has become the number one supplier largely at the expense of Massachusetts (table 14). Similarly in New York City, Maine has displaced Delaware as the largest supplier. However, in the New York market Maine is meeting strong competition from Maryland, as well as from Delaware, even though the latter shows a relative decline in its share of the market from 27 percent in 1952 to 14 percent in 1956. Connecticut, North Carolina, Pennsylvania, and Georgia also have made large gains in the New York market, although they account for a relatively small percentage of the total poultry receipts.

In Philadelphia, Maryland has more than doubled its share of the market over the 4-year period. As a result, it is pushing Delaware closely for first place. The latter State, on the other hand, has maintained its relative position in the market (31 percent of the total receipts) in the face of an increase in total market receipts of 46 percent. North Carolina is beginning to show up strongly in this market as well as in New York, although it is still a small supplier compared with Delaware and Maryland.

Pennsylvania has improved its position as the number one supplier of the Pittsburgh market. From 22 percent of the total poultry receipts in 1952, its share rose to 26 percent in 1956. A considerable factor in the improvement of Pennsylvania's position has been the decline of Maryland. Ohio and Illinois, currently important suppliers in the Pittsburgh market, showed important gains over the 4-year period.

Table 14.--Boston: Poultry receipts by State of origin and percentage received by truck

State of origin :	Total receipts		Percentage distribution		Percentage received	
	1956 :	1955 :	1956 :	1955 :	1956 :	1955 :
	million	million	by States	by States	by truck	by truck
	pounds	pounds	Percent	Percent	Percent	Percent
State of origin :	1956 :	1955 :	1956 :	1955 :	1956 :	1955 :
	million	million	Percent	Percent	Percent	Percent
	pounds	pounds	Percent	Percent	Percent	Percent
California . . .	4.4	2.1	5.7	3	7	10
Connecticut . .	1.3	.8	1/	1	1/	100
Delaware . . .	1.5	2.9	1.8	4	2	100
Illinois . . .	1.4	1.2	2.3	2	3	64
Iowa	4.7	3.6	7.9	5	10	29
Maine	22.2	20.1	8.8	27	11	30
Maryland . . .	4.6	4.7	2.3	6	3	100
Massachusetts .	11.1	12.1	20.9	14	26	99
Minnesota . . .	2.1	1.9	4.5	3	6	100
Missouri . . .	1.3	.7	1.3	2	2	14
Nebraska . . .	.8	1.8	2.6	1	3	79
New Hampshire .	4.2	4.0	8.4	5	11	13
New York . . .	1/	1/	1.3	1/	2	52
North Carolina .	3.5	1/	1/	4	2	100
Oregon	1/	.7	1.6	1/	1/	47
Pennsylvania . .	4.4	2.5	1/	6	2	2/
Rhode Island . .	2.4	.9	0	3	1/	1
Utah	2.0	2.9	3.0	4	0	2/
Vermont	1.6	1.3	1.1	2	4	0
Virginia	1/	.7	1.3	1/	1	4
Other 3/	4.7	3.1	4.4	6	5	100
Total	4/78.2	68.0	79.2	100	100	85
						65

1/ Less than 1.0 percent.

2/ Not significant.

3/ Includes States of origin contributing less than 1.0 percent.

4/ Includes a small amount of processed poultry from Canada.

Table 15.--New York: Poultry receipts by State of origin and percentage received by truck

State of origin	Total receipts		Percentage distribution		Percentage received	
	1956	1955	1956	1955	1956	1955
	Million pounds	Million pounds	by States	by States	by truck	by truck
	1956	1955	1956	1955	1956	1955
	Million pounds	Million pounds	Percent	Percent	Percent	Percent
California . . .	18.9	13.1	17.8	5	36	51
Connecticut . .	28.1	26.0	15.9	4	100	100
Delaware . . .	53.2	45.0	98.3	27	100	100
Georgia	12.2	9.7	2/	2/	100	3/
Illinois	2/	2/	6.5	2	3/	27
Iowa	8.8	8.0	14.2	4	60	35
Maine	73.9	64.7	56.1	15	100	99
Maryland . . .	62.4	64.0	27.5	7	100	99
Massachusetts .	3.6	3.6	4.7	1	99	98
Minnesota . . .	8.6	7.2	11.0	3	78	24
Missouri	2/	3.5	6.0	2	2/	62
Nebraska	5.8	5.0	3.9	1	76	29
New Hampshire .	6.6	6.9	11.5	3	100	96
New Jersey . . .	2/	2/	3.7	1	3/	100
New York	8.1	7.6	30.5	8	95	92
North Carolina .	21.2	15.2	2/	2/	100	3/
Pennsylvania . .	15.0	11.8	7.2	2	100	96
Tennessee . . .	4.4	5.7	4.1	1	100	97
Utah	8.0	9.4	15.1	4	33	4
Virginia	17.2	16.0	18.8	5	100	99
Other 4/	20.9	17.8	17.7	5	3/	3/
Total	376.9	5/340.2	370.5	100	92	80

1/ Includes less than 0.5 percent rail receipts.

2/ Less than 1.0 percent.

3/ Not significant.

4/ Includes States of origin contributing less than 1.0 percent.

5/ Includes a small amount of poultry from Argentina and Canada.

Table 16.--Philadelphia: Poultry receipts by State of origin and percentage received by truck

State of origin	Total receipts		Percentage distribution		Percentage received	
	1956	1955	1952	by State	1956	1955
	Million pounds	Million pounds	Million pounds	Percent	Percent	Percent
California	1.7	0.9	1.8	2	1	4
Delaware	22.5	18.3	15.5	31	31	31
Illinois	1.5	.8	1.0	2	1	2
Indiana	1/	1/	.5	1/	1/	1
Iowa	2.4	2.5	2.3	3	4	5
Maryland	19.2	16.2	6.6	27	27	13
Minnesota	2.5	2.7	4.1	3	5	8
Missouri	1.7	1.9	1.0	2	3	2
Nebraska	1/	.4	1.5	1/	1	3
New Jersey	1.7	2.2	2.0	2	4	4
New York	1/	1/	.6	1/	1/	1
North Carolina	4.1	.7	.6	6	1	1
Ohio	1/	1/	1.1	1/	1/	2
Pennsylvania	5.7	5.6	3.5	8	9	7
South Carolina	.9	1/	1/	1	1/	1/
Tennessee	1/	1/	.9	1/	1/	2
Utah	.7	1.7	1.9	1	3	4
Virginia	4.4	3.7	3.4	6	6	7
Other 4/	3.7	2.2	1.4	6	4	3
Total	72.7	59.8	49.7	100	100	100
					93	74

1/ Less than 1.0 percent.

2/ Not significant.

3/ Includes less than 0.5 percent rail receipts.

4/ Includes States of origin contributing less than 1.0 percent.

Of the 10 major markets supplied by Georgia, Pittsburgh and St. Louis are the only ones in which it shows a percentage decline in 1956 compared with 1952.

The three major suppliers in the Cleveland poultry market in 1956, according to rank, are Georgia, Ohio, and Pennsylvania. This represents a reversal of the situation in 1952 when Georgia ranked third, and Pennsylvania, first. In addition, Georgia has forged well ahead of Ohio and Pennsylvania, and in fact, is supplying almost as much poultry as the other two States combined. Although Ohio's ranking as the second largest supplier in the Cleveland market did not change, it increased its share of the market from 19 percent to 28 percent over the 4-year period. The substantial gains made by Georgia and Ohio were largely at the expense of Pennsylvania, Iowa, Illinois, and Minnesota.

Since 1952, Virginia has maintained its position as the largest supplier in the Cincinnati market, although in 1955 it temporarily lost out to Georgia. Although Georgia increased its share of the Cincinnati market from 20 percent in 1952 to 26 percent in 1956, the State showing the greatest increase is Kentucky. This State accounted for only one-tenth of 1 percent of the total receipts in 1952, but in 1956 it accounted for 15 percent. In contrast, Ohio, and North Carolina, especially the latter, show large percentage declines in 1956 relative to their 1952 shares of the market.

Once again, this time in the Chicago market, Georgia has displaced a nearby source of production--Iowa--as the major supplier. In addition, Georgia's position in 1956 as the number one supplier is considerably stronger than when Iowa held that distinction in 1952.

Other suppliers showing relatively large increases in the Chicago market over the 4-year period are Alabama, Tennessee, and Kentucky. States showing relatively large percentage declines, in addition to Iowa, are Arkansas, Delaware, California, and Minnesota.

Georgia and Alabama accounted for 68 percent of the total poultry receipts in the Detroit market in 1956, compared with 43 percent in 1952. This was primarily due to increased shipments from Alabama rather than Georgia. These two States were by far the largest suppliers in the Detroit market in 1956, although significant gains were made by Tennessee and Kentucky. On the other hand poultry receipts from Maryland have fallen off sharply; from 15 percent of the total market in 1952 to 2 percent in 1956.

The surprising thing about the St. Louis market is the great increase, since 1952, in poultry receipts from Mississippi and Alabama. Another interesting aspect of the St. Louis market is that it had 5 major suppliers in 1956, all vigorously competing for their respective shares of the market. This compares with a range of from 1 to 3 principal suppliers for the remaining major markets with the exception of Los Angeles, which also had 5 principal suppliers in 1956.

Table 18.--Cleveland: Poultry receipts by State of origin and percentage received by truck

State of origin	Total receipts		Percentage distribution		Percentage received by truck	
	1956	1955	1956	1955	1956	1955
	Million pounds	Million pounds	Percent	Percent	Percent	Percent
Alabama	0.5	1/	-	1/	100	2/
California	1/	1/	2	1/	2/	2/
Georgia	16.1	11.7	11	31	100	100
Illinois .....	.6	1.3	7	3	98	95
Indiana .....	.8	.4	1	1	100	84
Iowa	1/	.6	8	2	2/	33
Kentucky	1.6	2.8	7	7	100	100
Maryland	2.0	1.6	2	4	100	100
Michigan	1/	1/	1	1/	2/	2/
Minnesota	1/	1.0	6	3	2/	38
Missouri	1/	1/	1	1/	2/	2/
Nebraska	1.6	1.0	6	3	97	100
New Jersey	-	1/	1	1/	-	2/
New York .....	.4	.4	1/	1	100	100
North Carolina	-	1/	2	1/	-	2/
Ohio	12.0	10.9	19	29	100	100
Pennsylvania	5.9	4.3	20	11	100	100
Tennessee .....	.6	1/	1/	1/	100	2/
Texas	-	-	1	-	-	22
Other 3/	1.3	2.1	5	5	2/	2/
Total	43.4	38.1	100	100	99	96
						82

1/ Less than 1.0 percent.

2/ Not significant.

3/ Includes States of origin contributing less than 1.0 percent.

Table 19.--Cincinnati: Poultry receipts by State of origin and percentage received by truck

State of origin	Total receipts		Percentage distribution		Percentage received	
	1956	1955	1956	1955	1956	1955
	: Million	: Million	: pounds	: pounds	: Percent	: Percent
Alabama	0.3	0.2	0.3	1	3	100
Georgia	7.3	4.1	2.0	26	20	100
Illinois	1/	1/	1/	1/	1/	2/
Indiana	2.2	1.4	.5	8	5	100
Iowa .....	.3	.2	1/	1	1/	100
Kentucky	4.0	1.7	1/	15	1/	100
North Carolina	1.2	1.3	2.1	4	21	100
Ohio	2.0	2.0	1.2	7	12	100
Pennsylvania	1/	1/	.2	1/	2	2/
Tennessee .....	.6	1/	1/	2	1/	100
Virginia	9.4	4.0	3.4	34	34	100
Other 3/ .....	.4	.6	.3	2	3	2/
Total	27.7	15.5	10.0	100	100	98

1/ Less than 1.0 percent.
 2/ Not significant.
 3/ Includes States of origin contributing less than 1.0 percent.

Table 20.--Chicago: Poultry receipts by State of origin and percentage received by truck

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State of origin	Total receipts		Percentage distribution		Percentage received by truck	
	1956	1955	1952	1955	1956	1955
	Million pounds	Million pounds	Million pounds	Percent	Percent	Percent
Alabama	9.7	9.6	1/	6	1/	100
Arkansas	9.3	11.6	15.2	5	11	100
California	1/	2.8	6.0	1/	4	71
Delaware	1/	1/	7.1	1/	5	3/
Georgia	44.7	36.0	18.2	26	14	2/ 100
Illinois	9.8	3.5	4.3	6	3	100
Indiana	15.1	13.1	9.3	9	7	100
Iowa	16.9	15.2	24.3	10	18	99
Kansas	1.9	1/	1.5	1	1	100
Kentucky	4.9	2.9	1/	3	1/	100
Maryland	1/	1/	1.7	1/	1	3/
Minnesota	14.1	14.2	16.9	8	13	95
Missouri	3.6	3.0	3.3	2	3	99
Nebraska	6.0	2.5	2.7	3	2	85
New York	2.0	2.6	1.8	1	1	2/ 100
South Dakota ..	2.6	4.2	1.6	1	1	69
Tennessee	9.0	4.1	1/	5	1/	100
Texas	5.7	1.9	1.6	3	1	100
Utah	2.2	3.2	3.4	1	3	60
Wisconsin	8.2	7.0	6.3	5	5	2/ 100
Other 4/	8.1	8.4	9.1	5	7	3/
Total	5/ 173.8	145.8	134.3	100	100	96

1/ Less than 1.0 percent.

2/ Includes less than 0.5 percent rail receipts.

3/ Not significant.

4/ Includes States of origin contributing less than 1.0 percent.

5/ Includes a small amount of processed poultry from Canada.

Table 22.--St. Louis: Poultry receipts by State of origin and percentage received by truck

State of origin	Total receipts			Percentage distribution			Percentage received		
	1956	1955	1952	1956	1955	1952	1956	1955	1952
	Million pounds			by States			by truck		
	pounds			Percent	Percent	Percent	Percent	Percent	Percent
Alabama	5.2	3.5	1/	11	13	1/	100	100	2/
Arkansas	13.3	9.0	8.7	28	34	37	98	100	100
California	1.8	.4	-	4	1	-	1	0	-
Georgia	4.9	2.9	2.7	10	11	11	100	100	100
Illinois	1.4	.6	1.8	3	2	8	100	100	95
Iowa . . . . .	.5	.4	1/	1	1	1/	82	100	2/
Kentucky . . . . .	.6	.4	1/	1	1	1/	100	100	2/
Mississippi	8.0	2.9	.4	17	11	2	100	100	100
Missouri	8.4	4.2	3.6	17	16	15	99	99	97
Nebraska	1/	.5	.6	1/	2	2	2/	100	95
Oklahoma	1/	1/	4.7	1/	1/	20	2/	2/	89
Tennessee	3.0	1.1	1/	6	4	1/	99	100	2/
Texas . . . . .	.6	.6	.8	1	2	3	87	61	100
Other 3/ . . . . .	.6	.3	.5	1	2	2	2/	2/	2/
Total	48.3	26.8	23.8	100	100	100	95	97	97

1/ Less than 1.0 percent.

2/ Not significant.

3/ Includes States of origin contributing less than 1.0 percent.

The major suppliers for St. Louis in 1956, ranked according to size, were Arkansas, Missouri, Mississippi, Alabama, and Georgia. Although Arkansas was the largest poultry supplier in the St. Louis market in 1956 as well as 1952, it has lost considerable ground relative to its 1952 position. The greatest decline, however, of any of the States is that shown for Oklahoma. Its share of the market declined from 20 percent in 1952 to less than 0.5 percent in 1956.

The Atlanta market shows little change over the 4-year period. As would be expected, Georgia is its main source of supply.

Before analyzing the changes in sources of supply for the Los Angeles market, it is necessary to point out that the market news statistics for poultry receipts from California origins shown in table 24 do not include live poultry brought into Los Angeles County and slaughtered there for local distribution in the city.

For example, in the 1954 Census of Agriculture, Los Angeles County was ranked number 14 among the Nation's 20 leading counties in terms of number of live broilers sold. That year 7,697,177 (live) broilers alone were sold in Los Angeles County. Converted to an eviscerated basis, this would approximate 16 million pounds, compared with the 4.0, 2.1, and 1.5 million pounds (table 24) shown as originating in California in 1952, 1955, and 1956, respectively. It should also be noted that the 1954 figure is a conservative measure of the amount of California poultry sold in Los Angeles, since it refers only to the broilers, not to the other types of poultry. It is also undoubtedly conservative compared with live broilers sold in 1956 because of the general expansion of the broiler industry during that 2-year period.

It is, therefore, clear that if the poultry processed and sold in Los Angeles County were included in the Los Angeles receipts, the percentage distribution by States would differ considerably from those shown in the table. For example, if the 16 million pounds of ready-to-cook broilers for Los Angeles County were shown as the total California receipts at Los Angeles in 1956, the percentage distribution by States would appear as follows: Alabama, 11 percent; Arkansas, 11 percent; California, 24 percent; Georgia, 12 percent; Mississippi, 13 percent; Texas, 22 percent; and other, 2 percent.

Aside from California, there are substantial percentage increases in poultry receipts from Texas, Mississippi, and Alabama, and correspondingly large percentage decreases from Nebraska and Arkansas.

The principal item of interest with regard to the San Francisco market is that it depends largely upon 2 States, California and Arkansas, for its poultry. California, however, is by far the largest of the 2 suppliers although Arkansas' competitive marketing position has improved considerably over the 4-year period. These 2 States supplied 77 percent of the poultry receipts in 1952, 89 percent in 1955, and 78 percent in 1956.

Texas, Georgia, and Mississippi are also beginning to show up in the San Francisco market, although they are, as yet, relatively unimportant.

Table 23.--Atlanta: Poultry receipts by State of origin and percentage received by truck

State of origin	Total receipts		Percentage distribution		Percentage received	
	1956	1955	1956	1955	1956	1955
	Million pounds	Million pounds	by States	by States	by truck	by truck
	Million pounds	Million pounds	Percent	Percent	Percent	Percent
Georgia	3.6	2.8	3.4	77	100	97
Iowa . . . . .	.2	.1	.2	4	84	100
Maryland	0	.2	2/	4	0	46
Nebraska	0	2/	.1	2/	0	100
New York . . . .	.1	2/	2/	2/	0	3/
Oklahoma	2/	.1	0	4	100	100
South Carolina .	0	2/	.1	2/	0	3/
Tennessee . . . .	.2	.2	.4	5	100	100
Texas	2/	.1	.2	2	3/	63
Virginia . . . .	.1	0	0	0	100	0
Other 4/ . . . .	.1	.1	.1	4	3/	3/
Total	4.3	3.6	4.5	100	99	96

1/ Includes less than 0.5 percent rail receipts.

2/ Less than 1.0 percent.

3/ Not significant.

4/ Includes States of origin contributing less than 1.0 percent.

Table 24.--Los Angeles: Poultry receipts by State of origin and percentage received by truck

State of origin	Total receipts		Percentage distribution				Percentage received by truck			
	1956	1955	1952	1956	1955	1952	1956	1955	1952	1952
	Million pounds	Million pounds	Million pounds	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Alabama	7.4	4.4	0	14	16	0	100	100	0	0
Arkansas	7.5	8.7	3.5	14	32	22	100	95	27	27
California	1.5	2.1	4.0	3	8	25	100	100	76	76
Georgia	8.1	3.3	.9	15	12	6	100	98	38	38
Illinois	1/	1/	.3	1/	1/	2	2/	2/	0	0
Iowa	-	-	.3	-	-	2	-	-	0	0
Kansas	1/	1/	.4	1/	1/	2	2/	2/	0	0
Maryland	1/	.6	.6	1/	2	4	2/	0	0	0
Mississippi	11.9	2.2	0	22	8	0	100	100	0	0
Missouri	1/	1/	1.1	1/	1/	7	2/	2/	0	0
Nebraska	.5	.7	3.2	1	2	20	57	5	2	2
Texas	15.2	5.1	1.0	29	19	6	100	100	83	83
Other 3/	1.2	.4	.6	2	1	4	2/	2/	2/	2/
Total	53.3	27.5	15.9	100	100	100	99	93	33	33

1/ Less than 1.0 percent.

2/ Not significant.

3/ Includes States of origin contributing less than 1.0 percent.

Percentage Received by Truck

The percentage of poultry received by motortruck at the 12 major markets confirms the fact (previously shown by the sample data) that most of the Nation's poultry is hauled by truck. This was true in 1952 and it is true today. For example, 3 of the 12 markets in 1952 showed truck receipts of less than 70 percent. In 1956, trucks accounted for over 90 percent of the total market receipts in all except 1 of the 12 markets. Two markets were exclusively truck, while 5 others showed poultry receipts by truck of 99 percent.

PART III - PROCESSORS' OPINIONS ON USE OF TRUCK TRANSPORTATION

Chief Reasons for Not Using For-Hire Truck Transportation

Only 23 processors of fresh poultry reported reasons for not using for-hire truck transportation in 1956-57, while 42 did not use for-hire trucks in 1952 (table 26). Similar results are shown for the processors of frozen poultry--7 processors reported one or more reasons for not using for-hire trucks in 1956-57, while 14 so reported in 1955.

These replies compare with a total of 87 processors of fresh poultry and 57 processors of frozen poultry who were interviewed in the study. Thus, only 26 percent of the processors of fresh poultry and 12 percent of the processors of frozen poultry reported any reasons for not using for-hire trucks in 1956-57.

Fresh Poultry

The major reasons for not using for-hire trucks in 1952 (ranked according to the number of processors reporting) were: (1) More costly than operating own trucks; (2) primarily short hauls; and (3) trucks not readily available. Further explanation of the second reason by a number of processors was that because of the relatively short distances over which much of the poultry was being moved at that time, it was more convenient for them to use their own trucks.

In 1956-57, a few of the fresh poultry processors still considered these reasons to be significant, although two additional reasons--no control over service and less personal service to customers--were of nearly equal importance. These latter reasons showed no change between 1952 and 1956-57 in terms of the number of processors reporting them.

But two reasons which did show some change in this period were: (1) Lack of flexibility in stopoff privileges and (2) primarily small lot shipments. Only 1 processor reported each of these reasons in 1956-57, compared with 4 and 3 processors, respectively, in 1952.

The question of the motor carrier equipment not always being satisfactory was reported by only 2 processors of fresh and 1 processor of frozen poultry for the 3 periods concerned.

Frozen Poultry

In 1955, the 3 reasons previously mentioned, that is, more costly than operating own trucks, trucks not readily available, and primarily short hauls, were also reported by processors of frozen poultry, but the latter reason was of little significance.

Table 26.--Chief reasons for not using for-hire truck transportation as reported by commercial processors of fresh and frozen poultry in the United States, 1952, 1955, July 1, 1956-June 30, 1957

	1952	1955	July 1, 1956-June 30, 1957
Reasons reported	Total number of times reason was reported by processors of fresh poultry	Total number of times reason was reported by processors of frozen poultry	Total number of times reason was reported by processors of frozen poultry
1. More costly than operating own truck	17	3	7
2. Primarily short hauls	15	1	6
3. Trucks not readily available	10	3	7
4. Lack of flexibility in pickup at processing plant	7	2	3
5. Lack of flexibility in markets served	6	4	-
6. No control over service	6	3	6
7. Less personal service to customers	6	2	6
8. Lack of flexibility in stopoff privileges	4	1	1
9. Primarily small lot shipments	3	1	1
10. Equipment not always satisfactory	2	1	2
11. Won't haul wet cargo	2	-	2
12. Sell f.o.b. plant	-	1	-
Total processors reporting any reasons	42	14	23
			7

On the other hand 4 processors--the largest number of the group--reported the lack of flexibility in markets served as a major reason for not using for-hire trucks in 1955. The processors reporting this reason indicated they had in mind the reluctance of the carriers to serve the small markets, or the out-of-the-way markets. In a number of cases, before the exemption, the regulated carriers did not have the necessary authority to serve all of the markets in which the processors wished to sell. Six processors of fresh poultry had also reported this reason in 1952. But in 1956-57 none of these latter processors mentioned it, and only 2 of the 4 processors of frozen poultry still considered it to be a principal reason for not using for-hire trucks.

In view of the fact that not more than 2 processors of frozen poultry reported on any one of the 11 reasons shown for 1956-57, these reasons are consequently of little significance insofar as the total number of processors is concerned. At the same time, however, it should be remembered that the reasons reported are of real importance to the particular processors.

Advantages and Disadvantages of Regulated
Vs. Exempt Motor Carriers

Regulated Motor Carrier Advantages

About 14 percent of all processors interviewed in the sample reported one or more advantages in shipping their poultry by regulated motor carriers from July 1, 1956, through June 30, 1957 (table 27). Eight different advantages were reported, of which the top 5 in terms of the total number reported were: Better service; financial responsibility; less managerial labor; more reliable; and better trucking equipment.

Better service was reported as an advantage by an equal number of processors of fresh and of frozen poultry. But financial responsibility, reliability, and quality of trucking equipment were mentioned more frequently by processors of frozen poultry than by processors of fresh poultry.

On the other hand, less managerial labor was mentioned as an advantage of the regulated motor carrier by only 1 frozen poultry processor compared with 3 processors of fresh poultry. Further elaboration by the processors on their statement of better service by the regulated motor carriers included such comments as: "Able to divert loads en route" and "more frequent service to main terminal points."

Financial responsibility refers to the carrying of cargo insurance by the motor carriers. The processors reporting this as an advantage of the regulated motor carriers indicated the latter were more adequately insured than the exempt carriers. This opinion was later confirmed in interviews with both types of carriers regarding the amount of cargo insurance carried per truck. 14/

14/ See Part V, table 50.

Table 27.--Advantages of shipping fresh and frozen poultry by regulated motor carriers as reported by poultry processors, July 1, 1956-June 30, 1957

Advantages reported	: Total number of times :		: Number of times :		: Number of times :	
	: advantage was report-	: advantage was	: reported by pro-	: advantage was	: reported by pro-	: cessors of frozen
	: ed by processors of	: cessors of fresh	: cessors of fresh	: poultry	: poultry	: poultry
1. Better service	8	4	:	:	:	4
2. Financial responsibility	5	2	:	:	:	3
3. Less managerial labor	4	3	:	:	:	1
4. More reliable	4	1	:	:	:	3
5. Better trucking equipment	4	1	:	:	:	3
6. Trucks readily available	3	2	:	:	:	1
7. Lower rates	2	1	:	:	:	1
8. Fewer loss or damage claims ..	2	-	:	:	:	2
Total processors reporting any advantages	20	12	:	:	:	8

Less managerial labor on the part of the processor was considered to be an advantage of the regulated motor carrier in two respects: (1) The processors reported it was not necessary to check as carefully on the condition of the equipment of the regulated motor carrier as on the equipment of a number of the exempt carriers; (2) it was not necessary to check the nature and extent of their insurance coverage, since the insurance requirement prescribed by the ICC for the regulated trucking industry provides for sufficient coverage. (This is a misconception of the requirement, since it does not apply to exempt commodities hauled by regulated carriers. 15/)

Regulated Motor Carrier Disadvantages

In contrast to the 8 advantages of regulated motor carriers reported by 20 processors, 18 separate disadvantages were reported by 85 processors. Thus 59 percent of all the processors interviewed reported 1 or more disadvantages in shipping poultry by the regulated motor carriers.

One interesting aspect of table 28 is the similarity in ranking of disadvantages in terms of the number of processors of fresh and of frozen poultry reporting. This is particularly so for the rankings in the upper third of the table.

Another interesting feature is that nearly all of the 18 disadvantages are concerned with service rather than with costs, although it is recognized that some of the service factors may affect costs directly or indirectly. For example, the disadvantage of high rates is ranked number 2 in terms of the total number of processors reporting and is similarly ranked among the replies from processors of fresh poultry. However, it is ranked number 3 by the frozen poultry processors, with "unwillingness to serve off-line points" and "trucks not readily available," both service-type disadvantages, coming ahead of it. Processors from all of the major geographical regions mentioned this latter disadvantage; however, those from the West South Central area mentioned it most frequently.

The other specific cost disadvantages reported by the processors, including fixed rates, excessive charges for extra stops, and slowness in claim adjustments (the latter also has service features), rank well down the scale according to number of processors reporting.

Although only 4 processors found fault with the quality of the equipment operated by the regulated motor carriers, 6 mentioned that the drivers and terminal personnel of the carriers failed to give proper attention to the perishable nature of the product.

Thus, as indicated previously, it is the service disadvantages which have loomed the largest in the minds of the processors. Among others these

15/ See Part V, p. 82.

Table 28.--Disadvantages of shipping fresh and frozen poultry by regulated motor carriers, as reported by poultry processors, July 1, 1956 - June 30, 1957

Disadvantages reported	:Total number of times :Number of times dis-		:disadvantage was re- :advantage was report-		:ported by processors :ed by processors of		:of fresh and proces- : fresh poultry		:sors of frozen poultry:	
1. Trucks not readily available	:	40	:	21	:	19	:			
2. Rates too high	:	30	:	18	:	12	:			
3. Unwillingness to serve off-line points	:	30	:	15	:	13	:			
4. Slowness of delivery service	:	18	:	10	:	8	:			
5. Unwillingness to serve distant markets	:	15	:	8	:	7	:			
6. Failure to meet scheduled delivery hours	:	8	:	3	:	5	:			
7. Reluctance to haul wet cargo	:	7	:	7	:	-	:			
8. Inadequate stop-off privileges	:	7	:	4	:	3	:			
9. Failure to give proper attention to perishable nature of product	:	6	:	5	:	1	:			
10. Lack of flexibility in pickup at processing plant	:	6	:	4	:	2	:			
11. Unwillingness to haul small lots	:	4	:	3	:	1	:			
12. Slowness in claim adjustments	:	4	:	3	:	1	:			
13. Quality of trucking equipment not always satisfactory . .	:	4	:	1	:	3	:			
14. Fixed rates	:	3	:	3	:	-	:			
15. Frequent shifting of drivers	:	2	:	2	:	-	:			
16. Excessive charges for extra stops	:	2	:	1	:	1	:			
17. Unwillingness to divert loads to other markets	:	2	:	-	:	2	:			
18. Lack of personal service to customers	:	1	:	1	:	-	:			
Total processors reporting any disadvantages	:	85	:	46	:	39	:			

disadvantages include: Trucks not being available, unwillingness to serve off-line points, slowness of delivery service, unwillingness to serve distant markets, failure to meet scheduled delivery hours, reluctance to haul wet cargo (for the fresh poultry processors), inadequate stopoff privileges, failure to give proper attention to the perishable nature of the product, and lack of flexibility in pickup at processing plant.

These service factors have undoubtedly had a great deal to do with the fact that the regulated motor carriers hauled only 22 percent of the total for-hire truck tonnage of fresh and frozen poultry during the period July 1, 1956-June 30, 1957. 16/

Exempt Motor Carrier Advantages

About the same number of poultry processors (21) reported advantages in shipping by exempt motor carriers as reported disadvantages in shipping by regulated motor carriers (18). (See table 29.)

Although lower rates were mentioned most frequently when the replies for the two groups of processors are combined, it receives this distinction from the processors of fresh poultry rather than from the processors of frozen poultry. This latter group, for example, listed certain service advantages more often than they did the rate advantage. These included: "Willingness to serve out-of-the-way points"; "availability of trucking equipment"; "faster service"; and "willingness to serve distant markets." All of these advantages were also reported by a large number of fresh poultry processors. Thus, table 29 tends to confirm the previous observation that a flexible and adequate service has a substantial influence upon the preference expressed by poultry processors for exempt motor carriers.

A number of the advantages which are listed in the lower third of table 29 are oftentimes pointed out as the advantages of dealing with a small firm compared with dealing with a large firm. These include, among others: "Personal acquaintance with the owner"; "more control over carrier and equipment"; "can negotiate directly with the management"; and "having the same drivers haul the product."

This is borne out by the fact that the 41 exempt motor carriers interviewed in the study operated an average of 16 trailers; however, 20 of these carriers operated fewer than 10 trailers. In contrast, the 26 regulated motor carriers which were interviewed operated an average of 67 trailers. Only 6 of these carriers operated fewer than 10 trailers.

16/ See Part I.

Table 29.---Advantages of shipping fresh and frozen poultry by exempt motor carriers as reported by poultry processors, July 1, 1956-June 30, 1957

Advantages reported	: Total number of times :		: Number of times :		: Number of times :	
	: advantage was report-	: ed by processors of :	: advantage was :	: reported by :	: advantage was :	: reported by :
	: fresh and processors :	: of frozen poultry :	: fresh poultry :	: processors of :	: processors of :	: processors of :
1. Lower rates	36	:	24	:	12	:
2. Faster service	29	:	15	:	14	:
3. Availability of trucking equipment	29	:	15	:	14	:
4. Willingness to serve out-of-way points	29	:	11	:	18	:
5. Willingness to serve distant markets	19	:	6	:	13	:
6. Direct service to markets	16	:	5	:	11	:
7. Willingness to serve markets without back-haul prospects	15	:	5	:	10	:
8. More stopoffs permitted	13	:	5	:	8	:
9. Willingness to adapt service to processor and customer needs	13	:	5	:	8	:
10. Deliveries arrive at market at designated time	12	:	5	:	7	:
11. Reliability of the drivers	6	:	4	:	2	:
12. Better care of product while in transit ...	5	:	2	:	3	:
13. Greater flexibility in pickup at processing plant	5	:	2	:	3	:
14. Cooperative attitude of the drivers	4	:	3	:	1	:
15. Willingness to haul in small lots	4	:	3	:	1	:
16. More personal service to customers	4	:	2	:	2	:
17. Easier to settle claims	3	:	-	:	3	:
18. Personal acquaintance with the owner	2	:	2	:	-	:
19. More control over carrier and equipment ...	2	:	1	:	1	:
20. Can negotiate directly with the management	2	:	-	:	2	:
21. Having the same drivers haul the product ...	2	:	-	:	2	:
Total processors reporting any advantages	82	:	43	:	39	:

Exempt Motor Carrier Disadvantages

Twenty-three percent of all the poultry processors interviewed in the study reported one or more disadvantages in shipping by exempt motor carriers. This contrasts with 59 percent who reported one or more disadvantages in shipping by regulated motor carriers.

More processors of frozen poultry reported disadvantages than processors of fresh. This was true not only in terms of the total number of each group reporting, but also with regard to the first three disadvantages listed in table 30.

Although both groups of processors followed similar patterns in reporting on the first two disadvantages, the third disadvantage, dealing with "quality of equipment," was mentioned more frequently by the processors of frozen poultry.

The disadvantage of less financial responsibility (incorporating insurance liability) confirms the previously mentioned advantage of the regulated motor carrier to the effect that the latter carrier has more insurance coverage, thus greater financial responsibility. Seven of the processors reporting this disadvantage stated they carried their own trip insurance or operated through truck brokers because of this factor.

The processors reporting the disadvantage of using exempt motor carriers from the standpoint of being less reliable stated that this showed up in these carriers' failing to arrive at the shipping point or at the market at the designated times. The processors also reported that because of this lack of reliability greater care was needed in selecting these carriers.

Trucks not being readily available was of concern to 7 of the 33 processors reporting any disadvantages of the exempt motor carriers. This is about one-sixth the number who reported this disadvantage in connection with the regulated motor carriers. The 7 processors reporting are located in the New England, Middle Atlantic, and East North Central regions.

Processors who mentioned that the exempt motor carriers require a greater degree of supervision indicated they had in mind such things as permits and record-keeping.

Availability of For-Hire Trucks Since the Court Decisions

Over 60 percent of the processors replying stated that since the court decisions declaring fresh and frozen poultry exempt commodities, they had experienced an increase in the number of for-hire trucks available to haul their poultry (table 31). It has been previously indicated that this increase is due largely to the entrance of the exempt motor carriers into the field of poultry transportation rather than to an increase in the availability of equipment by the regulated motor carriers.

Table 30.--Disadvantages of shipping fresh and frozen poultry by exempt motor carriers, as reported by commercial processors of fresh and frozen poultry, July 1, 1956 - June 30, 1957

Disadvantages reported	:Total number of times		:Number of times dis-		:Number of times dis-	
	:disadvantage was re-	:ported by processors	:advantage was report-	:ed by processors of	:ed by processors of	: frozen poultry
	:of fresh and proces-	:sors of frozen poultry:	: fresh poultry	: frozen poultry		
1. Less financial responsibility:	14	:	6	8		
2. Less reliable	12	:	5	7		
3. Quality of equipment not always satisfactory	9	:	3	6		
4. Trucks not readily available :	7	:	4	3		
5. Require greater degree of supervision	6	:	4	2		
6. More record keeping because of dealing with a larger number of carriers	2	:	2	-		
7. More delay in getting trucking equipment back in service in event of a breakdown:	1	:	1	-		
8. Unstable rates	1	:	1	-		
9. Less varied equipment	1	:	-	1		
10. Difficulty in locating carrier en route so as to divert load	1	:	-	1		
Total processors reporting :	33	:	15	18		
and disadvantages		:				

Table 31.--Availability of for-hire trucks, as reported by commercial poultry processors in answer to the question: "Since the court decisions declaring fresh and frozen poultry exempt commodities, have you experienced an increase in the number of for-hire trucks available to haul your poultry?", 1957

Region and type of processor	Processors reporting the replies indicated			: Not applicable : or no response
	Yes	No	Don't know	
	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>
New England:				
Fresh	5	5	-	1
Frozen	$\frac{1}{6}$	$\frac{1}{5}$	-	$\frac{1}{1}$
Total	6	5	-	1
Middle Atlantic:				
Fresh	3	3	-	3
Frozen	$\frac{1}{4}$	$\frac{1}{4}$	-	$\frac{1}{3}$
Total	4	4	-	3
East North Central:				
Fresh	4	3	-	3
Frozen	$\frac{4}{8}$	$\frac{6}{9}$	-	$\frac{2}{5}$
Total	8	9	-	5
West North Central:				
Fresh	-	1	-	1
Frozen	$\frac{15}{15}$	$\frac{6}{7}$	-	$\frac{1}{2}$
Total	15	7	-	2
South Atlantic:				
Fresh	18	2	4	5
Frozen	$\frac{3}{21}$	$\frac{1}{3}$	$\frac{1}{4}$	$\frac{1}{5}$
Total	21	3	4	5
East South Central:				
Fresh	7	-	1	3
Frozen	$\frac{1}{8}$	-	$\frac{1}{1}$	$\frac{1}{3}$
Total	8	-	1	3
West South Central:				
Fresh	7	2	2	-
Frozen	$\frac{3}{10}$	$\frac{1}{3}$	$\frac{1}{2}$	$\frac{1}{1}$
Total	10	3	2	1
Mountain and Pacific:				
Fresh	2	1	1	-
Frozen	$\frac{4}{6}$	$\frac{3}{4}$	$\frac{3}{4}$	-
Total	6	4	4	-
Grand total:				
Fresh	46	17	8	16
Frozen	$\frac{32}{78}$	$\frac{18}{35}$	$\frac{3}{11}$	$\frac{4}{20}$
Total	78	35	11	20

The greatest increase in the availability of for-hire trucks is shown by the processors' replies for the South Atlantic region, followed by the West North Central, East South Central, and West South Central. All of these regions have greatly increased their volume of shipments during the past 5 years.

But processors in the 4 remaining regions, that is, New England, Middle Atlantic, East North Central, and Mountain and Pacific, indicate that the supply of for-hire trucks has increased only slightly, or not at all, since the court decisions.

Buyers' Preference for Type of Motor Carrier

Only 6 of the 144 poultry processors interviewed in the study indicated that buyers state their preference for shipment by exempt or by regulated motor carriers. Thus in the vast majority of cases the decision as to choice of carrier lies with the processor.

Of the 6 processors mentioned above, 4 stated the buyers preferred exempt carriers because of the lower cost and better service, while the 2 remaining processors (of frozen poultry) indicated the buyers preferred the regulated carriers because of better equipment.

Use of Exempt and Regulated Motor Carriers by Length of Haul

Approximately two-thirds of the processors replying stated that they used exempt motor carriers more frequently on long hauls than they did the regulated (table 32). The remaining one-third either stated that they used regulated carriers more frequently on the long hauls or that they did not know.

The 38 nonrespondents are largely processors who either use private trucks or regulated motor carriers exclusively and, therefore, have had no experience with the exempt carriers.

A slightly higher percentage of the frozen poultry processors (compared with the fresh) indicated a preference for the exempt motor carriers on long hauls. But some variation exists among the replies of the two groups of processors, depending upon the geographic region in which the processors are located.

For example, 5 processors in the New England and Middle Atlantic regions reported they used the exempt carrier more frequently on long hauls, but 9 processors indicated the opposite. In contrast, 24 processors in the East North Central and West North Central said they used exempt carriers more frequently on long hauls, while 7 processors said they did not. An even greater difference is shown in the replies of processors from the 4 remaining

Table 32.--Use of regulated versus exempt motor carriers by length of haul, as reported by commercial poultry processors in answer to question: "Do you use exempt motor carriers more frequently on longer hauls than you do regulated motor carriers?", 1957

Region and type of processor	Processors reporting the replies indicated			Not applicable or no response
	Yes	No	Don't know	
	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>
New England:				
Fresh	2	5	-	4
Frozen	$\frac{-}{2}$	$\frac{1}{6}$	-	$\frac{-}{4}$
Total	2	6	-	4
Middle Atlantic:				
Fresh	2	2	-	5
Frozen	$\frac{1}{3}$	$\frac{1}{3}$	-	$\frac{-}{5}$
Total	3	3	-	5
East North Central:				
Fresh	4	1	-	5
Frozen	$\frac{5}{9}$	$\frac{3}{4}$	-	$\frac{4}{9}$
Total	9	4	-	9
West North Central:				
Fresh	1	-	-	1
Frozen	$\frac{14}{15}$	$\frac{3}{3}$	-	$\frac{5}{6}$
Total	15	3	-	6
South Atlantic:				
Fresh	14	5	4	6
Frozen	$\frac{3}{17}$	$\frac{-}{5}$	$\frac{-}{4}$	$\frac{1}{7}$
Total	17	5	4	7
East South Central:				
Fresh	7	1	1	2
Frozen	$\frac{1}{8}$	$\frac{-}{1}$	$\frac{-}{1}$	$\frac{-}{2}$
Total	8	1	1	2
West South Central:				
Fresh	9	1	1	-
Frozen	$\frac{2}{11}$	$\frac{2}{3}$	$\frac{-}{1}$	$\frac{1}{1}$
Total	11	3	1	1
Mountain and Pacific:				
Fresh	1	-	-	3
Frozen	$\frac{5}{6}$	-	$\frac{4}{4}$	$\frac{1}{4}$
Total	6	-	4	4
Grand total:				
Fresh	40	15	6	26
Frozen	$\frac{31}{71}$	$\frac{10}{25}$	$\frac{4}{10}$	$\frac{12}{38}$
Total	71	25	10	38

regions, where 42 processors answered affirmatively compared with only 9 processors who replied in the negative.

Establishment of Freight Rates by Type of Motor Carrier

Direct negotiations with motor carriers is the most common method reported by processors for establishing freight rates on shipments of fresh and frozen poultry (table 33). It is used to a greater extent, however, with the exempt carriers than with the regulated motor carriers. In addition, about 19 percent of the processors reported the exempt motor rates were established through truck brokers; but only 4 percent of the processors using regulated motor carriers reported this method. The West North Central, South Atlantic, West South Central, and Mountain and Pacific were the principal regions reporting use of truck brokers.

Next to direct negotiations, processors reported that use of published tariffs or rate sheets was the most common method of the regulated motor carriers in establishing rates on poultry. However, because fresh and frozen dressed or eviscerated poultry comes within the agricultural exemption clause, published tariffs on these particular commodities are not subject to regulation by the Interstate Commerce Commission, except when the commodities are hauled in the same vehicles with nonexempt commodities. Aside from this exception, the carriers are free to change their tariffs without observing the ICC requirement of statutory notice, or to depart from them as they see fit.

Fluctuation of Motor Carrier Rates

According to Demand for and Supply of Motor Carrier Equipment

Although motor carrier rates are free to fluctuate according to the demand for and supply of motor carrier equipment, most of the processors report that the rates do not fluctuate. Thus, the replies shown in table 34 indicate a generally stable rate pattern for motor carriers in terms of day-to-day, week-to-week, or seasonal fluctuations.

There is little difference shown in this respect in the replies of the two groups of processors, fresh and frozen. Nor are there any substantial differences among the several regions. However, the replies from processors of the Mountain and Pacific, South Atlantic, and East South Central regions indicate a somewhat less stable rate pattern, compared with the rest of the country.

According to Type of For-Hire Motor Carrier

The stability of motor carrier rates in the poultry industry is further confirmed by the fact that the rates of the exempt carriers possess about the same degree of stability as those of the regulated carriers. For example,

Table 33.--Methods of establishing current motor carrier rates on shipments of fresh and frozen poultry, as reported by commercial poultry processors, 1957

Region and type of processor	Methods used with regulated motor carriers			Methods used with exempt motor carriers			Not applicable or not reporting
	Published tariffs: (or rate sheets based on tariffs):	Direct negotiations:	Through truck brokers:	Direct negotiations:	Through truck brokers:	Other 1/	
	Number	Number	Number	Number	Number	Number	Number
New England							
Fresh	-	9	-	6	-	-	1
Frozen	-	$\frac{1}{10}$	-	$\frac{1}{7}$	-	-	$\frac{1}{1}$
Total	-		-		-	-	
Middle Atlantic							
Fresh	2	2	1	3	-	-	3
Frozen	-	$\frac{1}{2}$	$\frac{1}{1}$	$\frac{1}{4}$	$\frac{1}{1}$	-	$\frac{1}{3}$
Total	2					-	
East North Central							
Fresh	3	3	-	5	-	-	4
Frozen	5	$\frac{3}{6}$	-	$\frac{6}{11}$	-	-	$\frac{4}{8}$
Total	8		-		-	-	
West North Central							
Fresh	1	1	-	1	1	-	1
Frozen	$\frac{16}{17}$	$\frac{5}{6}$	-	$\frac{12}{13}$	$\frac{7}{8}$	-	$\frac{1}{2}$
Total			-			-	
South Atlantic							
Fresh	9	12	-	21	3	2	7
Frozen	$\frac{1}{10}$	$\frac{1}{12}$	-	$\frac{3}{24}$	-	-	$\frac{2}{9}$
Total			-			2	
East South Central							
Fresh	2	2	-	9	-	-	1
Frozen	$\frac{1}{3}$	$\frac{1}{3}$	-	$\frac{1}{10}$	-	-	$\frac{1}{1}$
Total			-		-	-	
West South Central							
Fresh	3	7	2	12	4	-	-
Frozen	-	$\frac{3}{10}$	-	$\frac{3}{15}$	$\frac{1}{5}$	-	-
Total	3		2			-	-
Mountain and Pacific							
Fresh	2	-	-	-	1	-	-
Frozen	$\frac{3}{5}$	$\frac{11}{11}$	$\frac{1}{1}$	$\frac{6}{6}$	$\frac{3}{4}$	-	-
Total						-	-
Grand total							
Fresh	22	36	3	57	9	2	17
Frozen	26	$\frac{24}{60}$	$\frac{1}{4}$	$\frac{33}{90}$	$\frac{12}{21}$	$\frac{1}{2}$	$\frac{7}{24}$
Total	48						

1/ Rate tariff issued by an exempt motor carrier. Processors listed no methods for the regulated motor carriers in the "other" category of the questionnaire.

Table 34.--Rate fluctuations on fresh and frozen poultry reflected by the demand for and supply of motor transportation, as reported by commercial poultry processors in response to question: "Do the motor carrier rates paid by you fluctuate according to the demand for and the availability of motor carriers?", 1957

Region and type of processor	Processors reporting the replies indicated			: Not applicable : or no response
	Yes	No	Don't know	
	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>
New England:				
Fresh	-	10	-	1
Frozen	-	<u>1</u>	-	<u>-</u>
Total	-	11	-	1
Middle Atlantic:				
Fresh	-	4	0	5
Frozen	-	<u>2</u>	<u>-</u>	<u>-</u>
Total	-	6	0	5
East North Central:				
Fresh	1	5	-	4
Frozen	<u>1</u>	<u>8</u>	-	<u>3</u>
Total	2	13	-	7
West North Central:				
Fresh	-	1	-	1
Frozen	<u>2</u>	<u>19</u>	-	<u>1</u>
Total	2	20	-	2
South Atlantic:				
Fresh	3	17	4	5
Frozen	<u>1</u>	<u>2</u>	<u>-</u>	<u>1</u>
Total	4	19	4	6
East South Central:				
Fresh	3	5	1	2
Frozen	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>
Total	3	6	1	2
West South Central:				
Fresh	1	12	-	-
Frozen	<u>-</u>	<u>3</u>	-	-
Total	1	15	-	-
Mountain and Pacific:				
Fresh	-	3	-	1
Frozen	<u>5</u>	<u>5</u>	-	<u>-</u>
Total	5	8	-	1
Grand total:				
Fresh	8	57	5	19
Frozen	<u>9</u>	<u>41</u>	<u>-</u>	<u>5</u>
Total	17	98	5	24

in table 35, out of the total of 100 processors replying, 12 processors reported that the rates of the exempt carriers fluctuate more and 12 reported they fluctuate less than those of the regulated carriers.

Once again, there is little variation in the replies reported by type of processor, but some variation is revealed in the several geographic regions. The regions reporting a greater or lesser degree of variation in the rates of the exempt carriers, compared with the regulated carriers, are: West North Central, South Atlantic, East South Central and West South Central.

Effects of Removal of Agricultural Exemption
From Fresh and Frozen Poultry

Eighty percent of the processors interviewed reported one or more ways in which they felt their business would be affected if the agricultural exemption were removed from the interstate truck transportation of fresh and frozen poultry. The remaining 20 percent, consisting of 29 processors, reported as follows: 18 stated they would not be affected because they use their own trucks; 2 reported they would be affected little or not at all since they were not using exempt carriers; and 9 processors expressed no opinion on the subject.

These replies were in response to the following question which was asked of all processors: "If the agricultural exemption were removed from fresh and/or frozen poultry with the result that all truck shipments of this product in interstate commerce must be made by regulated carriers, how would your business be affected?"

It was assumed in the question that all exempt carriers now hauling poultry, but without operating authority of any type from the Interstate Commerce Commission, would be forced out of business with the removal of the agricultural exemption. All answers in table 36 are predicated upon that basis.

Ninety-four processors mentioned that removal of the exemption would increase the cost of transportation. This was approximately twice the number of processors who mentioned the next principal effect, the loss of more distant markets. Typical of these comments was the following: "Before the agricultural exemption, our average transportation cost (freight-out) was \$2.20 per 100 pounds of dressed poultry; now our average transportation costs are only \$1.48 per 100 pounds" (a reduction of \$0.72 per 100 pounds). In addition, a number of processors from the Mountain and Pacific regions and other States in the Middle West stated that the lower truck rates on frozen poultry which followed the exemption in turn have resulted in lower rail rates. Since the rail carriers in these areas are important haulers of frozen poultry, they have tried to maintain their share of the traffic by establishing rates that were competitive with truck rates.

Another item of particular significance is that 46 processors reported they would either return to private trucking (instead of using for-hire

Table 35.--Degree of fluctuation of exempt motor carrier rates on fresh and frozen poultry, as reported by commercial poultry processors in answer to question: "Do the rates of exempt carriers fluctuate: more; the same; less than the regulated carriers?", 1957

Region and type of processor	Processors reporting the replies indicated			Not applicable or no response
	More	The same	Less	
	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>
New England:				
Fresh	-	5	-	6
Frozen	-	$\frac{1}{6}$	-	$\frac{-}{6}$
Total	-	6	-	$\frac{-}{6}$
Middle Atlantic:				
Fresh	-	4	-	5
Frozen	-	$\frac{2}{6}$	-	$\frac{-}{5}$
Total	-	6	-	5
East North Central:				
Fresh	1	2	-	7
Frozen	$\frac{-}{1}$	$\frac{6}{8}$	-	$\frac{6}{13}$
Total	1	8	-	13
West North Central:				
Fresh	-	1	-	1
Frozen	$\frac{2}{2}$	$\frac{13}{14}$	$\frac{2}{2}$	$\frac{5}{6}$
Total	2	14	2	6
South Atlantic:				
Fresh	3	17	4	5
Frozen	$\frac{1}{4}$	$\frac{2}{19}$	$\frac{-}{4}$	$\frac{1}{6}$
Total	4	19	4	6
East South Central:				
Fresh	1	4	4	2
Frozen	$\frac{-}{1}$	$\frac{1}{5}$	$\frac{-}{4}$	$\frac{-}{2}$
Total	1	5	4	2
West South Central:				
Fresh	3	6	1	1
Frozen	$\frac{-}{3}$	$\frac{3}{9}$	$\frac{-}{1}$	$\frac{2}{3}$
Total	3	9	1	3
Mountain and Pacific:				
Fresh	-	1	-	3
Frozen	$\frac{1}{1}$	$\frac{8}{9}$	$\frac{1}{1}$	$\frac{-}{3}$
Total	1	9	1	3
Grand total:				
Fresh	8	40	9	30
Frozen	$\frac{4}{12}$	$\frac{36}{76}$	$\frac{3}{12}$	$\frac{14}{44}$
Total	12	76	12	44

Table 36.--Expected effects if the agricultural exemption were removed from truck shipments of fresh and frozen poultry, as reported by commercial poultry processors, July 1, 1956-June 30, 1957

Effects reported	:Total number of times:		: Number of times		: Number of times	
	: effect was reported	: by processors of	: effect was reported	: by processors of	: effect was reported	: by processors of
	: fresh and processors	: of frozen poultry	: of fresh poultry	: of frozen poultry	: of fresh poultry	: of frozen poultry
	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>
1. Increase the cost of transportation :	94		55		39	
2. Loss of more distant markets	46		26		20	
3. Return to private trucking	35		23		12	
4. Shortage of adequate trucking						
equipment	30		18		12	
5. Loss of small out-of-way markets	21		10		11	
6. Smaller returns to processors	19		11		7	
7. Smaller returns to producers	14		2		12	
8. Slower delivery service	14		10		4	
9. Force the smaller commercial pro-						
cessors out of business	13		3		10	
10. Increase private truck fleet	11		9		2	
11. Local processors would benefit						
through lessening of competition :						
from other areas	11		5		6	
12. Increase prices to consumers	10		7		3	
13. Seriously injure business because						
processor not located on major						
truck route	7		1		6	
14. Loss of personalized service to						
customer	4		3		1	
15. Unable to ship L.T.L. economically ..	4		4		-	
16. Seriously hamper flexibility of						
operation	3		2		1	
17. Partial return to rail shipments						
because adequate trucking equip-						
ment not always available	3		-		3	
18. Less efficiency in marketing	2		2		-	
Total processors reporting any	115		69		46	
effects						

carriers exclusively) or would increase their private truck fleet (instead of using both private and for-hire) if the agricultural exemption were removed from fresh and frozen poultry. Thirty-seven percent of the processors of fresh poultry and 25 percent of the processors of frozen poultry reported they would take this course. These processors shipped 494.3 million pounds of fresh poultry, and 131.6 million pounds of frozen poultry, about 50 percent and 31 percent, respectively, of the total 1956-57 volume for these 2 commodities reported by the firms in the study.

The number and location of the processors reporting a return to private trucking, or an increase in their private truck fleet, if the exemption should be removed, are as follows: New England, 5; Middle Atlantic, 3; East North Central, 2; West North Central, 4; South Atlantic, 14; East South Central, 8; West South Central, 8; Mountain and Pacific, 2.

Of considerable concern to processors, producers, and consumers alike is the fact that 19 processors predict that the removal of the exemption will result in smaller returns to processors; 14 predict it will be accompanied by smaller returns to producers; and 10 say it will increase prices to consumers. Allied with these effects are the statements of 13 processors that a return to regulation will force the smaller commercial processors out of business. This latter group consists of processors from the New England, South Atlantic, West North Central, and Mountain and Pacific regions.

In commenting upon this effect, one processor stated: "By forcing the small processors out of business, it would tend to restrict competition at the market level while at the same time retaining it at the production level; that is, among the farmer-sellers."

The effect upon producers through removal of the agricultural exemption on fresh and frozen poultry was further illustrated by the comments of the manager of a farmer cooperative processing plant in the Midwest. "Turkey growers would lose 1/10 to 1/2 cent per pound if the exemption were taken off poultry." Based upon the volume processed in 1956-57 and using an average of 3/10 cent per pound, this would have resulted in a smaller return to the farmer members of this cooperative of more than \$18,000. Inasmuch as this cooperative shipped medium distances, the estimate of this manager was considered to be conservative. If such an estimate is applicable to cooperatives generally, the approximately 154 million pounds of turkeys marketed by all farmer cooperatives in 1956 might be affected. 17/

In addition, farmer cooperatives interviewed in connection with this study marketed an additional 68 million pounds of broilers and other poultry. It is estimated that about 6 percent of the entire U. S. volume of broilers and other poultry, excluding turkeys, is marketed by farmer cooperatives. This amounted to about 213 million pounds (ready-to-cook weight) in 1956.

17/ Bradford, Henry W., and Scanlan, John J. Cooperative Marketing of Turkeys, Farmer Cooperative Service Cir. 23, October 1957, table 4, p. 19.

Under the conditions disclosed by this survey, with a large number of processors competing actively in markets all over the country, it has not been possible to determine the extent to which the savings in transportation charges of independent processors (other than the farmer cooperative associations which use exempt for-hire carriers) may be passed back to poultry producers or on to the consumers. However, it would appear that those same conditions of active competition would force the sharing of such savings either in higher prices to producers, lower prices to consumers, or both.

In this connection it is of interest to note that while the average farm value of chickens (ready-to-cook broilers and fryers) declined 11 cents per pound, from 37 cents in 1953 to 26 cents in 1957, the average retail price decreased 12.3 cents during the same period, from 60 cents to 47.7 cents per pound. 18/

Three processors of frozen poultry also indicated they would make a partial return to rail shipments because adequate trucking would not always be available if the agricultural exemption were removed.

In addition, 7 processors indicated their business would be seriously hurt because they are not on a major truck route. They mentioned that prior to the exemption they experienced considerable difficulty in getting the regulated motor carriers to serve their particular plants.

Eleven poultry processors--about equally divided between fresh and frozen--indicated that local processors would benefit through lessening of competition from other areas. These processors, located in the East North Central and Mountain and Pacific regions, indicated they had in mind competition from such rapidly expanding poultry areas as the South Atlantic, East South Central, and West South Central.

The contrast in the type of transportation service offered the processors by the exempt, as compared with the regulated, motor carriers shows up strongly in table 36. This is indicated by such effects as loss of more distant markets, shortage of adequate trucking equipment, loss of small out-of-the-way markets, slower delivery service, and loss of personalized service to customer. The number of processors reporting these various effects ranged from 4 to 46.

Although the geographic distribution of processors mentioning the loss of more distant markets was nationwide, there were some differences, areawise, in the number of stating this opinion, as follows: New England, 6; Middle Atlantic, 2; East North Central, 2; West North Central, 7; South Atlantic, 6; East South Central, 8; West South Central, 10; and Mountain and Pacific, 5.

These replies indicate the continuing need of the southern poultry producing regions to reach out into the populated markets of the Eastern

18/ The Marketing and Transportation Situation, AMS, USDA, January 1958.

Seaboard, the Midwest, and the Far West. For example, 2 processors in the West South Central region stated they would lose up to 50 percent of their business if they were kept out of the more distant markets; while 3 processors in the East South Central estimated their potential market loss at 30 percent.

But, as indicated above, the need for maintaining broader market areas is not confined to the southern poultry regions. Processors in the New England, West North Central, and Mountain and Pacific regions are also well aware of the importance of distant markets, and some not so distant. In this connection, New England processors expressed grave doubts about being able to maintain their competitive position in the New York City market if the exemption were removed. They also stated that the midwestern markets would be shut off completely with a return to regulation.

Similarly, processors from the West North Central expressed doubts about being able to compete in the large eastern seaboard markets with processors from the South Atlantic States, while turkey processors in the Mountain and Pacific regions stated that a return to regulation would place them at a serious disadvantage in both the midwestern and eastern markets.

Processors reporting the loss of small out-of-the-way markets and a shortage of adequate trucking equipment as possible effects of removing the agricultural exemption were fairly evenly distributed throughout the 8 geographic regions. However, the greatest number of replies on the former came from processors in the West South Central region, while the latter effect was mentioned most frequently by processors from the South Atlantic and Middle Atlantic regions.

Slower delivery service under regulation is illustrated by the following comment of a poultry processor from the West South Central region: "We now get direct service to New York City in 2 days, whereas before the exemption the common (motor) carrier took 3 to 4 days, and to Los Angeles we now get 36-hour service from exempt motor carriers, but ICC regulated motor carriers took up to 3 days."

Several processors indicated that fast delivery service to markets is of great importance since it tends to reduce the hazards of price changes.

PART IV - EVALUATION OF MOTOR CARRIER FREIGHT RATES

Truck rates on fresh and frozen poultry have dropped very substantially since the court decisions declaring them to be exempt commodities.

For example, an aggregate of 210 rates from principal States of origin to 12 major markets show that in 82 percent of the cases the 1956-57 exempt rates are lower than the 1952 regulated rates on fresh processed poultry. It also shows that in 85 percent of the cases the exempt rates are lower than the 1955 regulated rates on frozen poultry.

At the same time, it is important to note that these rate reductions have taken place in the face of a rising general level of regulated truck and rail rates on all commodities.

The 1952 and 1955 regulated rates were obtained from published motor carrier or agency tariffs on file with the Interstate Commerce Commission. The 1956-57 exempt rates were obtained from the poultry processors and from the motor carriers, both the regulated and exempt, which haul poultry. These latter rates, whether quoted by the regulated or the exempt carriers, are not subject to approval by the Interstate Commerce Commission. In most cases they are negotiated directly with the shipper and they may be changed without statutory or other notice.

A summary of the rate reductions by markets is shown in table 37. The percentage of reduction on fresh processed poultry, 1956-57 over 1952, ranges from 12 to 53 percent, and on frozen poultry from 16 to 59 percent, 1956-57 over 1955. Cincinnati and Chicago show the least reductions; Los Angeles and San Francisco the greatest. Two-thirds of the markets fall within a range of -28 to -34 percent and -25 to -36 percent, when comparing 1956-57 with 1952 and 1955, respectively. For the 12 cities combined, the average rate reduction in the rates on fresh poultry from 1952 to 1957 was 33 percent, and on frozen poultry it was 36 percent from 1955 to 1957.

The States of origin shown in tables 38-49 are those from which poultry actually moved. (Compare with the market receipts in Part II, tables 14-25.)

Rate reductions have been made on both the long-haul and short-haul movements. For example, rates from Utah and Oregon to Boston show percentage declines (1956-57 over 1955) of 52 and 54 percent, respectively (table 38). For the same periods, the rates to Boston from Delaware declined 46 percent and from Maine, 48 percent.

In the Chicago market (1956-57 over 1955), the rate from Wisconsin declined 58 percent; Michigan, 48 percent; Massachusetts, 47 percent; and New Jersey, 50 percent (table 44). And, in the Atlantic market rate reductions are shown for Georgia of 77 percent; North Carolina, 48 percent; Texas, 60 percent; and Kentucky and Oklahoma, 40 percent (table 47).

Similar reductions on long-haul and short-haul movements are shown for the remaining markets.

One or more rate increases from individual States of origin are shown for each of 12 markets in 1956-57 compared with 1952. Boston leads with rate increases from 8 originating States, is followed by New York with 7, and Philadelphia and Chicago with 5. However, 5 markets, including Pittsburgh, St. Louis, Atlanta, Los Angeles, and San Francisco, each show only 1 originating State where the rates have increased during this period.

In addition, a fewer number of rate increases are shown when 1956-57 is compared with 1955. Thus, Boston shows only 4; New York, 5; Philadelphia, 3;

Table 37.--Average truck rates per 100 pounds on shipments of fresh and frozen processed poultry at 12 major markets, 1952, 1955, 1956-57 ^{1/}

City	1952 ^{2/}	1955 ^{3/}	1956-57 ^{4/}	Difference 1956-57 over 1952	Difference 1956-57 over 1955
	Cents	Cents	Cents	Percent	Cents
Boston	227	267	176	-22	-91
New York	220	228	162	-22	-66
Philadelphia	225	230	157	-30	-73
Pittsburgh	191	202	134	-30	-68
Cleveland	167	169	116	-31	-53
Cincinnati	128	134	113	-12	-21
Chicago	140	142	110	-22	-32
Detroit	176	181	124	-30	-57
St. Louis	145	138	104	-28	-34
Atlanta	206	203	138	-33	-65
Los Angeles	432	503	205	-53	-298
San Francisco	541	588	243	-55	-345
Averages and differences of averages ..	222	233	148	-33	-85
					-36

^{1/} Unweighted averages of point-to-point rates from origin States shown in tables 38 to 49. The same points are used for each year to insure comparability.

^{2/} Published motor carrier tariff rates in effect on fresh poultry prior to the court decisions.
^{3/} Published motor carrier tariff rates in effect on frozen poultry prior to the court decisions.
^{4/} Motor carrier rates on fresh and frozen poultry in effect since the court decisions. Includes rates from both the regulated carriers (hauling an exempt commodity) and the exempt motor carriers. In a very few cases there were different rates on fresh and frozen poultry between the same points in 1956-57. In such cases the rates on fresh and frozen poultry were averaged.

Table 38.--Boston: Truck rates per 100 pounds on shipments of fresh and frozen processed poultry from principal States of origin 1/

State of origin	1952 2/	1955 3/	1956-57 4/	Difference 1956-57 over 1952	Difference 1956-57 over 1955
	Cents	Cents	Cents	Percent	Percent
Arkansas	245	234	184	-25	-50
Colorado	339	339	206	-39	-133
Delaware	98	127	69	-30	-58
Georgia	5/	214	205	-	-9
Illinois	166	175	132	-20	-43
Indiana	107	112	119	+11	+7
Iowa	156	185	178	+14	-7
Kansas	184	209	225	+22	+16
Kentucky	141	167	190	+35	+23
Maine	49	69	36	-27	-33
Maryland	89	89	87	-2	-2
Michigan	141	148	125	-11	-23
Minnesota	195	213	170	-13	-43
Missouri	157	5/	175	+11	-
Nebraska	250	183	218	-13	+68
New York	87	89	88	+1	-1
North Carolina	175	191	148	-15	-23
Ohio	124	131	126	+2	-4
Oklahoma	371	293	256	-31	-37
Oregon	746	809	375	-50	-434
South Carolina	191	193	148	-23	-45
Texas	379	293	256	-32	-37
Utah	627	680	325	-48	-355
Wisconsin	178	194	185	+4	-9

1/ An unweighted average rate representing principal shipping points within each State. The same points are used for each year to insure comparability.

2/ Published motor carrier tariff rates in effect on fresh poultry prior to the court decisions.

3/ Published motor carrier tariff rates in effect on frozen poultry prior to the court decisions.

4/ Motor carrier rates on fresh and frozen poultry in effect since the court decisions. Includes rates from both the regulated carriers (hauling an exempt commodity) and the exempt motor carriers. In a very few cases there were different rates on fresh and frozen poultry between the same points in 1956-57. In such cases the rates were averaged.

5/ Not available.

Table 39.--New York: Truck rates per 100 pounds on shipments of fresh and frozen processed poultry from principal States of origin 1/

State of origin	1952 2/	1955 3/	1956-57 4/	Difference 1956-57 over 1952	Difference 1956-57 over 1955
	Cents	Cents	Cents	Percent	Percent
Arkansas	291	219	178	-39	-41
Colorado	329	329	209	-36	-120
Connecticut	57	47	42	-26	-5
Delaware	60	75	40	-33	-35
Georgia	5/	198	192	-	-6
Illinois	155	168	140	-10	-28
Indiana	105	109	116	+10	+7
Iowa	153	178	159	+4	-19
Kansas	177	200	202	+14	+2
Kentucky	141	148	147	+4	-1
Maine	89	124	70	-21	-54
Maryland	60	75	45	-25	-30
Michigan	137	145	118	-14	-27
Minnesota	188	205	170	-10	-35
Missouri	165	178	163	-1	-15
Nebraska	250	177	191	-24	+41
North Carolina	140	152	105	-25	-47
Ohio	124	118	106	-15	-12
Oklahoma	177	248	243	+37	-5
Oregon	746	809	375	-50	-434
Pennsylvania	60	75	76	+27	+1
South Carolina	173	164	147	-15	-17
South Dakota	195	217	175	-10	-42
Texas	363	274	235	-35	-39
Utah	616	663	315	-49	-353
Virginia	85	92	74	-13	-18
Washington	746	809	325	-56	-484
Wisconsin	172	172	175	+2	+3

See footnotes on table 38.

Table 40.--Philadelphia: Truck rates per 100 pounds on shipments of fresh and frozen processed poultry from principal States of origin 1/

State of origin	1952 2/	1955 3/	1956-57 4/	Difference 1956-57 over 1952	Difference 1956-57 over 1955
	Cents	Cents	Cents	Percent	Cents
Arkansas	213	5/	182	-15	-
Colorado	321	321	194	-40	-127
Delaware	55	61	38	-31	-23
Georgia	5/	190	168	-	-22
Illinois	153	161	121	-21	-40
Indiana	124	104	110	-11	+6
Iowa	149	172	157	+5	-15
Kansas	171	196	193	+13	-3
Kentucky	134	141	150	+12	+9
Maine	138	146	70	-49	-76
Maryland	44	44	41	-7	-3
Michigan	134	141	116	-13	-25
Minnesota	188	205	172	-9	-33
Missouri	160	172	163	+2	-9
Nebraska	250	170	188	-25	+38
New York	78	87	55	-29	-32
North Carolina	131	141	88	-33	-53
Ohio	118	124	94	-20	-30
Oregon	746	809	375	-50	-434
South Carolina	165	150	116	-30	-34
South Dakota	196	214	175	-11	-39
Texas	354	265	235	-34	-30
Utah	603	654	326	-46	-328
Virginia	78	79	75	-4	-4
Washington	746	809	300	-60	-509
Wisconsin	172	187	175	+2	-12

See footnotes on table 38.

Table 41.--Pittsburgh: Truck rates per 100 pounds on shipments of fresh and frozen processed poultry from principal States of origin 1/

State of origin	1952 2/	1955 3/	1956-57 4/	Difference 1956-57 over 1952	Difference 1956-57 over 1955
	Cents	Cents	Cents	Percent	Percent
Arkansas	177	154	136	-23	-18
California	732	794	365	-50	-54
Colorado	283	283	170	-40	-40
Delaware	92	110	76	-17	-31
Georgia	5/	213	170	-	-20
Illinois	115	126	75	-35	-40
Iowa	176	194	155	-12	-20
Minnesota	170	177	138	-19	-22
Missouri	143	159	131	-8	-18
New York	103	128	80	-22	-38
North Carolina	140	152	125	-11	-18
Ohio	84	96	66	-21	-31
South Carolina	193	167	111	-42	-34
Virginia	77	82	82	+6	0

See footnotes on table 38.

Table 42.--Cleveland: Truck rates per 100 pounds on shipments of fresh and frozen processed poultry from principal States of origin 1/

State of origin	1952 2/	1955 3/	1956-57 4/	Difference 1956-57 : over 1952	Difference 1956-57 : over 1955
	Cents	Cents	Cents	Percent	Cents
Arkansas	154	150	137	-11	-13
California	732	794	345	-53	-449
Delaware	118	124	86	-27	-38
Georgia	177	150	158	-11	+8
Illinois	102	113	75	-26	-38
Indiana	84	93	94	+12	+1
Iowa	162	179	117	-28	-62
Maine	141	148	100	-29	-48
Maryland	107	113	83	-22	-30
Michigan	87	96	68	-22	-28
Minnesota	158	164	108	-32	-56
Missouri	134	149	117	-13	-32
New Jersey	111	117	75	-32	-42
New York	131	138	93	-29	-45
North Carolina	159	173	100	-37	-73
Pennsylvania	88	93	113	+28	+20
South Carolina	186	173	100	-46	-73
Tennessee	149	139	100	-33	-39
Texas	267	195	160	-40	-35
Virginia	99	91	119	+20	+28
Wisconsin	154	160	100	-35	-60

See footnotes on table 38.

Table 43.--Cincinnati: Truck rates per 100 pounds on shipments of fresh and frozen processed poultry from principal States of origin 1/

State of origin	1952 2/	1955 3/	1956-57 4/	Difference 1956-57 over 1952	Difference 1956-57 over 1955
	Cents	Cents	Cents	Percent	Cents
Arkansas	141	141	127	-10	-14
Delaware	130	137	98	-25	-39
Georgia	143	124	123	-14	-1
Indiana	70	77	84	+20	+7
Iowa	119	131	110	-8	-21
Kentucky	60	74	125	+108	+51
Maryland	125	132	98	-22	-34
Minnesota	151	157	120	-21	-37
Missouri	129	142	101	-16	-41
New York	150	159	100	-33	-59
North Carolina	129	140	113	-12	-27
Oklahoma	191	197	160	-16	-37

See footnotes on table 38.

Table 44.--Chicago: Truck rates per 100 pounds on shipments of fresh and frozen processed poultry from principal States of origin 1/

State of origin	1952 2/	1955 3/	1956-57 4/	Difference 1956-57 over 1952	Difference 1956-57 over 1955
	Cents	Cents	Cents	Percent	Percent
Arkansas	100	107	128	+28	+21
Connecticut	161	193	120	-25	-73
Delaware	152	160	105	-31	-55
Georgia	176	129	133	-24	+4
Iowa	51	57	52	+2	-5
Maine	164	173	170	+4	-3
Maryland	144	152	105	-27	-47
Massachusetts	161	190	101	-37	-89
Michigan	70	77	40	-43	-37
Minnesota	100	90	65	-35	-25
Mississippi	126	135	142	+13	+7
Missouri	70	75	71	+1	-4
New Jersey	140	153	77	-47	-76
New York	165	174	100	-39	-74
North Carolina	173	187	150	-13	-37
Tennessee	152	141	100	-34	-41
Virginia	124	131	76	-39	-55
Washington	316	245	300	-5	+55
Wisconsin	122	135	57	-53	-78

See footnotes on table 38.

Table 45.--Detroit: Truck rates per 100 pounds on shipments of fresh and frozen processed poultry from principal States of origin 1/

State of origin	1952 2/	1955 3/	1956-57 4/	Difference 1956-57 over 1952	Difference 1956-57 over 1955
	Cents	Cents	Cents	Percent	Percent
Arkansas	167	148	153	-8	+3
California	709	769	300	-58	-61
Georgia	177	150	153	-14	+2
Iowa	138	152	123	-11	-19
Michigan	63	69	40	-37	-42
Minnesota	146	152	108	-26	-29
Mississippi	125	153	100	-20	-35
Missouri	118	131	121	+3	-8
Nebraska	175	135	141	-19	+4
New York	137	145	100	-27	-31
Ohio	65	71	38	-42	-46
Tennessee	151	139	100	-34	-28
Texas	157	177	160	+2	-10
Wisconsin	138	144	100	-28	-31

See footnotes on table 38.

Table 46.--St. Louis: Truck rates per 100 pounds on shipments of fresh and frozen processed poultry from principal States of origin 1/

State of origin	1952 2/	1955 3/	1956-57 4/	Difference 1956-57 over 1952	Difference 1956-57 over 1955
	Cents	Cents	Cents	Percent	Cents
Alabama	149	144	71	-52	-73
Arkansas	103	95	32	-69	-63
California	345	275	226	-34	-49
Delaware	162	171	130	-20	-41
Georgia	165	129	138	-16	+9
Iowa	124	141	75	-40	-66
Maryland	159	168	125	-21	-43
Minnesota	133	143	75	-44	-68
Mississippi	115	109	102	-11	-7
Missouri	46	51	34	-26	-17
Nebraska	120	88	141	+18	+66
New York	180	190	150	-17	-40
Oklahoma	105	105	80	-24	-25
Texas	122	131	80	-34	-51

See footnotes on table 38.

Table 47.--Atlanta: Truck rates per 100 pounds on shipments of fresh and frozen processed poultry from principal States of origin 1/

State of origin	1952 2/	1955 3/	1956-57 4/	Difference 1956-57 over 1952		Difference 1956-57 over 1955	
	Cents	Cents	Cents	Cents	Percent	Cents	Percent
Arkansas	189	185	143	-46	-24	-42	-23
California	717	777	479	-238	-33	-298	-38
Georgia	39	39	9	-30	-77	-30	-77
Indiana	5/	141	122	-	-	-19	-13
Iowa	209	240	150	-59	-28	-90	-38
Kentucky	103	125	75	-28	-27	-50	-40
Minnesota	300	222	160	-140	-47	-62	-28
Missouri	196	172	132	-64	-33	-40	-23
Nebraska	265	150	163	-102	-38	+13	+9
New York	182	222	145	-37	-20	-77	-35
North Carolina	120	137	71	-49	-41	-66	-48
Oklahoma	216	242	145	-71	-33	-97	-40
South Carolina	81	99	71	-10	-12	-28	-28
Tennessee	75	91	126	+51	+68	+35	+38
Texas	197	208	83	-114	-58	-125	-60

See footnotes on table 38.

Table 48.--Los Angeles: Truck rates per 100 pounds on shipments of fresh and frozen processed poultry from principal States of origin 1/

State of origin	1952 2/	1955 3/	1956-57 4/	Difference 1956-57 over 1952	Difference 1956-57 over 1955
	Cents	Cents	Cents	Percent	Cents
Arkansas	519	579	183	-65	-396
Georgia	5/	777	300	-	-477
Mississippi	351	351	250	-29	-101
Missouri	577	626	168	-71	-458
New Jersey	746	809	350	-53	-459
Oklahoma	502	544	150	-72	-394
Texas	242	242	142	-41	-100
Utah	91	99	100	+10	+1

See footnotes on table 38.

Table 49.--San Francisco: Truck rates per 100 pounds on shipments of fresh and frozen processed poultry from principal States of origin 1/

State of origin	1952 2/	1955 3/	1956-57 4/	Difference 1956-57 over 1952	Difference 1956-57 over 1955
	Cents	Cents	Cents	Percent	Cents
Arkansas	519	579	190	-63	-389
Georgia	-	777	331	-	-446
Iowa	644	698	225	-65	-473
Maryland	746	809	370	-50	-439
Mississippi	358	358	288	-20	-70
Missouri	577	626	175	-70	-451
Nebraska	330	225	185	-44	-40
New York	746	809	300	-60	-509
North Carolina	717	777	300	-58	-477
Oklahoma	502	544	150	-70	-394
South Carolina	731	793	333	-54	-460
South Dakota	624	678	185	-70	-493
Texas	242	242	159	-34	-83
Utah	91	99	100	+10	+1
Virginia	746	809	350	-53	-459

See footnotes on table 38.

Chicago, 4; and Pittsburgh, 0. Most of the rate increases are from States of origin in the Midwest, such as Indiana, Kansas, Kentucky, Nebraska, and Wisconsin.

Besides the basic freight rate, transportation charges on a shipment may also include separate stopoff charges for delivery at more than one stop and icing or refrigeration charges.

Before the exemption, stopoff charges ranged from \$5 to \$15 per stop. In addition, limitations were placed on the number of stops, and in some markets, only one stop was permitted. But since the exemption has been in effect, many carriers have reduced their stopoff charges, and in some cases, have entirely eliminated them where the circuitry is not too great. The number of stops permitted has also been increased by some carriers.

The procedure on icing charges--resulting from hauling fresh poultry--is so varied among the different carriers on the amount paid, and whether the charge is billed separately or included in the basic transportation rate, that no overall comparisons were possible on a "before" or "after" (exemption) basis. In contrast, both before and after the exemption became effective for poultry, the general practice was to include the costs of mechanical refrigeration used in hauling frozen poultry in the basic rate.

PART V - EVALUATION OF MOTOR CARRIER CARGO INSURANCE AND EQUIPMENT

By Type of For-Hire Motor Carrier

Regulated motor carriers have greater cargo insurance coverage and carry slightly more insulation in their trailers than the exempt motor carriers. On the other hand, the trailers of the exempt carriers are somewhat newer than those of the regulated motor carriers.

These facts were revealed in interviews with 67 haulers of fresh and frozen poultry. During interviews with the poultry processors, names were obtained of 72 motor carriers who were actively engaged in hauling fresh and frozen processed poultry. Adequate data for the purposes of this study were obtained from all but 5 of the carriers interviewed.

The 67 motor carriers included in the study consist of 41 exempt and 26 regulated trucking companies. As defined earlier:

Exempt carriers are those which transport exempt commodities only. Regulated carriers are those holding authority from the Interstate Commerce Commission for the transportation of other than exempt commodities. They may, however, also transport exempt commodities, and in doing so are not subject to economic regulation by the ICC as to those commodities, as long as no non-exempt commodities are moved in the same truck at the same time.

The regulatory status of each of the carriers, that is, whether exempt or regulated, was reviewed and confirmed by the Motor Carrier Division, Interstate Commerce Commission.

Thirty-nine percent of the lines interviewed were regulated carriers, although in terms of tonnage hauled by for-hire truck lines, only 22 percent moved by regulated carriers in 1956-57.

The geographic distribution of the motor carriers providing data for the study was as follows: New England, 5; Middle Atlantic, 4; East North Central, 8; West North Central, 18; South Atlantic, 15; East South Central, 4; West South Central, 9; and Mountain and Pacific, 4. Most of the carriers not only serve their own respective regions but reach out into many of the other areas as well. For example, exempt carriers whose headquarters are in the South Atlantic, East South Central, and West South Central regions haul broilers to the Pacific Coast States and haul back fresh fruits and vegetables, and on some occasions haul back frozen turkeys and frozen fruits and vegetables. Or, exempt carriers from the East North Central and West North Central States haul frozen turkeys into Florida and other Southern States and haul back produce. In northern New England exempt carriers haul fresh poultry to the New York-New Jersey area and often haul back general merchandise under lease arrangement with a regulated carrier. Since the northern New England area has a greater inbound truck tonnage than outbound, exempt carriers report they seldom have difficulty in leasing their trucks for a return haul. At the same time, the regulated motor carriers which serve the New England area use the poultry tonnage as a backhaul into New York, New Jersey, and Pennsylvania.

Other regulated carriers whose headquarters are in the Midwest, particularly the haulers of fresh meat and packinghouse products, haul these commodities into the Eastern Seaboard States, the South, and the Mountain and Pacific States, returning with poultry for the midwestern markets. In addition, poultry from the Midwestern States is used as a backhaul for the eastbound trucks of regulated carriers of general merchandise.

Cargo Insurance

All of the motor carriers interviewed in the study carried cargo insurance; however, the amount of coverage reported by the regulated carriers in most cases exceeded that of the exempt carriers (table 50).

Cargo insurance is necessary to insure the trucker against his legal liability arising from loss and damage to goods while they are in his possession. Because of the wide variety of options available in cargo insurance, it was not possible to analyze for each carrier the character and features of its insurance coverage. The basic cargo insurance policy usually covers loss and damage to goods caused by fire, lightning, accidental collision of the vehicle, overturn of vehicle, collapse of bridges, perils of the sea, lakes, and inland waters (while the vehicle is being transported on a ferry), cyclones, tornadoes, and floods.

Besides the basic coverage, a clause covering theft of an entire shipping package (excluding pilferage of a part of the contents) is available with the payment of an additional premium. Insurance officials report this latter clause is added in about 80 percent of the cases. Other options include protection against loss of or damage to cargo through failure of the mechanical refrigeration equipment. This coverage is usually written on a deductible basis, with the result that the carrier must bear the first portion of the loss. And, in addition, the policy generally has a maximum protection clause somewhat less than the full value of the cargo.

Although the Interstate Commerce Commission has a minimum cargo insurance requirement for regulated motor carriers, this requirement is not applicable to the hauling of exempt commodities by the regulated carriers. 19/

As indicated in table 50, the regulated motor carriers have total cargo insurance coverage much greater than the minimum requirement of the Interstate Commerce Commission. However, the value of a full truckload of fresh or frozen poultry may run as high as \$13,000 to \$14,000, depending upon market conditions. In contrast to this value, 22 of the carriers listed in table 50 have cargo insurance coverage of \$12,000 or less. These include 20 exempt and 2 regulated carriers.

Age and Length of Equipment

The 67 motor carriers represented in the study operated a maximum of 2,080 trailers during the period July 1956 through June 1957, in hauling fresh and frozen poultry (table 51). These consisted of 2,031 semitrailers and 49 full trailers. 20/ Seventy percent of the trailers, including the full trailers, were operated by the regulated motor carriers, and the remaining 30 percent by the exempt carriers.

Table 51 shows that the exempt carriers have somewhat newer equipment for hauling poultry than the regulated carriers do. Forty-six percent of the trailers of the former are 3 years of age or less, while for the regulated carriers only 39 percent come within this category. Similarly, 61 percent of the exempt trailers are 5 years of age or less compared with 55 percent for the regulated. But on the other hand, 23 percent of the regulated trailers are less than 2 years old, whereas 21 percent of the exempt trailers are so classified. The acquisition of many new trailers by exempt carriers within

19/ The cargo insurance requirement of the Interstate Commerce Commission applicable to the hauling of nonexempt commodities by the regulated carriers is as follows: "The loss of or damage to property carried on any one motor vehicle, \$1,000. For loss of or damage to, or aggregate of losses or damage of or to property occurring at any one time and place, \$2,000." Interstate Commerce Commission, Insurance Rules and Regulations of Motor Carriers, Nov. 1, 1955.

20/ A full trailer differs from a semitrailer in that practically all of the weight and load of the former rests upon its own wheels.

Table 50.--Amount of cargo insurance per truck, as reported by regulated and exempt motor carriers who hauled poultry, July 1956-June 1957

Amount of cargo insurance	Type of for-hire motor carrier			
	Total regulated and exempt	Regulated	Exempt	
Dollars	Number	Number	Number	
Less than 10,000	10	1	9	
10,000 - 19,999	24	5	19	
20,000 - 29,999	10	3	7	
30,000 - 39,999	3	2	1	
40,000 - 49,999	2	2	-	
50,000 and over	12	10	2	
Full value of load	6	3	3	
Total	67	26	41	

Table 51.--Age of for-hire semitrailers used in over-the-road hauling of fresh and frozen poultry, as reported by the motor carriers, 1957 1/

Age of equipment	Total regulated and exempt semitrailers		Regulated semitrailers		Exempt semitrailers	
	Equipment	Percentage of total	Equipment	Percentage of total	Equipment	Percentage of total
	Number	Percent	Number	Percent	Number	Percent
Less than 2 years	466	22	332	23	134	21
2 and 3 years	380	18	225	16	155	25
4 and 5 years	334	16	238	16	96	15
6 and 7 years	264	13	190	13	74	12
8 years and over	139	7	113	8	26	4
Total	1,583	76	1,098	76	485	77
Not specified	497	24	352	24	145	23
Grand total..	2,080	100	1,450	100	630	100

1/ Includes 49 full trailers.

the past 5 years probably was influenced in considerable part by the volume of poultry tonnage which became available to them in 1953 and 1955.

Data on trailer length were furnished for 1,533 trailers. This represents 74 percent of the total used in hauling poultry as reported by the motor carriers. Sixty-eight percent were operated by the regulated carriers, 32 percent by the exempt carriers.

Table 52 shows that there is a close relationship between the length of the trailers and their age. For example, 25 of the 28 semitrailers which have an overall length of 36 feet or more are 1956 or 1957 models. In addition, 513 of the 678 trailers in the 35-foot category are 1955 models or later. In contrast, only 135 trailers out of a total of 821 with overall lengths of 34 feet or less are models later than 1954.

Because of this close relationship between length of trailers and age, a greater percentage of the exempt trailers fall within the length categories of 33 feet or more. Thus, 74 percent of these trailers are 33 feet or over compared with 64 percent for the trailers of regulated carriers.

Amount of Insulation in Trailers

Trailers operated by the regulated motor carriers for hauling poultry have more insulation than those of the exempt carriers. This fact is revealed by the data in table 53, which was obtained from the 67 motor carriers interviewed.

Data on insulation were furnished for 1,897 of the 2,080 trailers used in hauling poultry. Approximately 99 percent of the regulated trailers have at least 3 inches of insulation in the walls and ceilings, and 85 percent have a minimum of 3 inches in the floors. These percentages compare with 89, 92, and 84 percent for the walls, ceilings, and floors, respectively, for the exempt carrier equipment.

Since 0° F. temperatures are required when hauling frozen poultry, and 34° to 36° F. for fresh ice-packed poultry, equipment used in hauling the frozen product ordinarily contains a greater amount of insulation. Table 53 confirms this fact by showing that all of the regulated trailers and 94 percent of the exempt trailers hauling frozen poultry have a minimum of 3 inches of insulation in the walls, floors, and ceilings.

However, the amount of insulation is only one of several elements that make an efficient, over-the-road trailer for perishables. Other elements of importance, especially in hauling frozen poultry, are the type of insulation, the type of refrigeration--ice bunker or mechanical--and if mechanical refrigeration, the B.t.u. capacity. In addition, wall racks for fresh and frozen poultry and floor racks for frozen poultry also assist in maintaining the perishable commodity in satisfactory condition through better air circulation.

Table 52.--Length of for-hire semitrailers used in over-the-road hauling of fresh and frozen poultry as reported by the motor carriers, 1957

Trailer length by type of for-hire carrier	1949 or older	1950	1951	1952	1953	1954	1955	1956	1957	Total	Percentage of total
30 feet or less:											
Regulated	13	4	9	-	1	2	-	3	2	34	3
Exempt	5	1	4	1	2	8	-	1	-	22	4
Total	18	5	13	1	3	10	-	4	2	56	4
31 feet:											
Regulated	-	-	-	-	-	-	-	-	-	-	-
Exempt	-	1	2	1	1	2	-	-	-	7	1
Total	-	1	2	1	1	2	-	-	-	7	1
32 feet:											
Regulated	46	38	86	71	43	33	28	1	-	346	33
Exempt	17	18	7	17	18	13	4	8	1	103	21
Total	63	56	93	88	61	46	32	9	1	449	29
33 feet:											
Regulated	9	3	6	7	13	22	3	-	2	65	6
Exempt	2	7	15	10	34	17	20	5	1	111	23
Total	11	10	21	17	47	39	23	5	3	176	12
34 feet:											
Regulated	34	1	-	-	27	8	24	19	-	113	11
Exempt	1	4	1	2	3	2	4	9	-	26	5
Total	35	5	1	2	30	10	28	28	-	139	9
35 feet:											
Regulated	1	15	18	3	56	30	60	234	58	475	46
Exempt	11	4	10	1	4	12	73	29	59	203	42
Total	12	19	28	4	60	42	133	263	117	678	44
36 feet or more:											
Regulated	-	-	-	-	3	-	-	2	2	7	1
Exempt	-	-	-	-	-	-	-	4	17	21	4
Total	-	-	-	-	3	-	-	6	19	28	2
Grand total:											
Regulated	103	61	119	81	143	95	115	259	64	1,040	68
Exempt	36	35	39	32	62	54	101	56	78	493	32
Total	139	96	158	113	205	149	216	315	142	1,533	100

1/ Less than 0.5 percent.

Table 53.--Amount of insulation in semitrailers used in hauling poultry, regulated and exempt motor carriers, 1957

Kind of poultry by type of car- rier operating the vehicle	Total semi- trailers 1/	Number of trailers reported to have thickness of insulation (inches) in --																	
		Walls						Floors						Ceiling					
		No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Fresh only:																			
Regulated	104	1	1.0	1	1.0	91	87.5	11	10.5	34	32.7	7	6.7	59	56.7	4	3.9	1	1.0
Exempt	159	4	2.5	22	13.8	128	80.5	5	3.2	25	15.7	6	3.8	121	76.1	7	4.4	4	2.5
Total	263	5	1.9	23	8.7	219	83.3	16	6.1	59	22.4	13	4.9	180	68.5	11	4.2	5	1.9
Frozen only:																			
Regulated	395	0	.0	0	.0	387	98.0	8	2.0	0	.0	0	.0	383	97.0	12	3.0	0	.0
Exempt	149	0	.0	9	6.0	140	94.0	0	.0	0	.0	9	6.0	129	86.6	11	7.4	0	.0
Total	544	0	.0	9	1.6	527	96.9	8	1.5	0	.0	9	1.7	512	94.1	23	4.2	0	.0
Both fresh and frozen:																			
Regulated	1/ 879	2/3	.3	2/4	.5	704	80.1	168	19.1	159	18.1	0	.0	523	59.5	197	22.4	0	.0
Exempt	211	0	.0	3/23	10.9	170	80.6	18	8.5	32	15.2	13	6.2	96	45.4	70	33.2	0	.0
Total	1,090	3	.3	27	2.5	874	80.2	186	17.0	191	17.5	13	1.2	619	56.8	267	24.5	0	.0
Grand total:																			
Regulated	1,378	4	.3	5	.4	1,182	85.8	187	13.5	193	14.0	7	.5	965	70.0	213	15.5	1	.1
Exempt	519	4	.8	54	10.4	438	84.4	23	4.4	57	11.0	28	5.4	346	66.6	88	17.0	4	.8
Total	1,897	8	.4	59	3.1	1,620	85.4	210	11.1	250	13.2	35	1.8	1,311	69.1	301	15.9	5	.3

1/ Includes 49 full trailers.

2/ Semitrailers operated by motor carrier which primarily hauls fresh poultry.

3/ Twenty of the 23 semitrailers operated by motor carrier which primarily hauls fresh poultry.

4/ Three of the 6 semitrailers operated by motor carrier which primarily hauls fresh poultry.

Type of Refrigeration

Of the regulated trailers 1,094 contained mechanical refrigerating units; 87 had ice bunkers with blowers; and 197 had neither mechanical refrigeration nor ice bunkers. Of the 519 exempt trailers, 301 had mechanical refrigerating units; 157, ice bunkers with blowers; and 67 had neither type of refrigeration. However, for both the regulated and the exempt carriers, most of these latter type of trailers were used in hauling fresh, ice-packed poultry. Because this commodity is packed in ice in containers, with additional (crushed) ice blown over the top of the load, it is not necessary to use mechanical refrigeration or ice bunkers with blowers. Adequate insulation to prevent the ice from melting too quickly is thus important for this commodity. In a few cases frozen poultry was transported with dry ice on top of the load. No attempt was made in this study to determine the B.t.u. capacity of the mechanical refrigerating units.

Use of Wall Racks or Strips and Floor Racks

An equal number of regulated and exempt carriers (10 from each group) reported the use of wall racks or strips (table 54). But the carriers reporting such use represented only 30 percent of the total interviewed in the study. In contrast, 72 percent of the carriers (excluding the haulers of fresh poultry only) reported they used floor racks. Wall racks or strips and floor racks are used to permit complete air circulation around the load, thereby maintaining the proper temperature for the commodity.

APPENDIX

Method Used in Selecting the Processors Interviewed in the Study

Since the agricultural exemption study was conducted on a "before" and "after" basis, that is, the conditions existing in the industry preceding and following the court decisions, it was necessary to obtain 1952 data on fresh poultry and 1955 data on frozen poultry in order to have the "before" picture. Because of the relatively long time period preceding and following the court decisions, particularly for the fresh dressed poultry, mail questionnaires were sent to all poultry processors, regardless of size, who reportedly shipped in interstate commerce as of July 1, 1956. The purpose of the questionnaire was to determine whether these same processors had data on shipments for 1952 and 1955 in readily available form.

The master mailing list used in connection with this survey was compiled by the Market Organization and Costs Branch, Agricultural Marketing Service, from information obtained in connection with the commercial poultry slaughter report.

Table 54.--Use of wall racks and floor racks in over-the-road hauling of poultry, as reported by the motor carriers in answer to question: "Do you use the following supplementary equipment in your trucks when hauling (fresh) or (frozen) poultry: Wall racks? Floor racks?", 1957

Kind of poultry by type of carrier operating the vehicle	For-hire motor carriers reporting the replies indicated			
	Wall racks or strips		Floor racks 1/	
	Yes	No	Yes	No
	Number	Number	Number	Number
Fresh only:				
Regulated	1	4	-	-
Exempt	<u>1</u>	<u>2/ 18</u>	-	-
Total	2	<u>2/ 22</u>	-	-
Frozen only:				
Regulated	3	4	5	<u>3/ 3</u>
Exempt	<u>4/ 3</u>	<u>7</u>	<u>6</u>	<u>5/ 3</u>
Total	<u>4/ 6</u>	<u>11</u>	<u>11</u>	<u>3/ 5/ 6</u>
Both fresh and frozen:				
Regulated	6	7	8	<u>6/ 4</u>
Exempt	<u>6</u>	<u>7</u>	<u>7/ 12</u>	<u>2</u>
Total	<u>12</u>	<u>14</u>	<u>7/ 20</u>	<u>6/ 6</u>
Grand total:				
Regulated	10	15	13	7
Exempt	<u>10</u>	<u>32</u>	<u>18</u>	<u>5</u>
Total	20	<u>47</u>	31	<u>12</u>

1/ Fresh processed poultry is packed in ice in containers, then crushed ice is blown over the load, making floor racks unnecessary. Consequently, the question is not applicable to the 5 regulated and 19 exempt motor carriers which haul only the fresh poultry.

2/ Includes the equipment of 3 motor carriers with ribbed aluminum walls.

3/ Includes the equipment of 3 motor carriers with ribbed aluminum floors.

4/ Includes the equipment of 1 motor carrier which has wall racks for only one-half of its trailers.

5/ Includes the equipment of 2 motor carriers with ribbed aluminum floors.

6/ Includes the equipment of 2 motor carriers with ribbed aluminum floors.

7/ Includes the equipment of 1 motor carrier which uses floor racks only in those trailers that do not have ribbed aluminum floors.

A total of 521 questionnaires was mailed, of which 424, or 81 percent, were returned. Of the questionnaires returned, 138 were checked by the processors, indicating that shipment data were readily available for 1952 and/or 1955 on fresh and frozen poultry, respectively. Since it was decided that the agricultural exemption study on poultry would cover only the commercial poultry slaughtering plants (those which process a minimum of 30,000 pounds of poultry live weight per week on the average while in operation), 30 of the 138 firms replying were eliminated from the interview list.

To insure a representative sample of poultry processors being covered in the interviews, an additional 50 processors were selected from the 383 who did not reply or replied and said they did not have the data. These processors were selected on a random sample basis, stratified by size and by geographic area.

The size and location by regions, of the commercial poultry processing firms contained in the study are shown in table 55.

Table 55.--Size and location of processors interviewed in the study

Region	:Size of processor by volume of shipments, 1956-57 1/			
	: Small	: Medium	: Large	: Total
	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>
New England	5	3	4	12
Middle Atlantic	3	6	3	12
East North Central	15	5	1	21
West North Central	11	11	2	24
South Atlantic	6	9	17	32
East South Central	2	6	4	12
West South Central	2	12	3	17
Mountain and Pacific	7	5	2	14
Total	51	57	36	144

1/ Small = Annual shipments of less than 5 million pounds.

Medium = Annual shipments of 5 million to 14,999,999 pounds.

Large = Annual shipments of 15 million pounds and over.

